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# ***Daily Report***

## **East Asia**

FBIS-EAS-95-043  
Monday  
6 March 1995

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# Daily Report

## East Asia

FBIS-EAS-95-043

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**Russia, PRC Participation in KEDO 'Unclear'**

*SK0403004895 Seoul KBS-1 Radio Network in Korean  
0000 GMT 4 Mar 95*

[Report by correspondent Yi Chong-su from Washington]

[FBIS Translated Text] Representatives of the ROK, the United States, and Japan made public today that they would officially inaugurate the Korean Peninsula Energy Development Organization (KEDO) by holding preparatory meetings at the United Nations Headquarters in New York on 8 and 9 March in the presence of representatives from about 20 countries.

The high-ranking working-level delegates from the ROK, the United States, and Japan also made public that they had confirmed once again the principle that the light-water reactors, which would be supplied for North Korea through KEDO, would be ROK-style ones.

U.S. nuclear ambassador [title as heard] Gallucci emphasized that North Korea would have no other option than the light-water reactors which the ROK will design and manufacture, and added that the reactors would not be named anything else.

Choe Tong-chin, director of our side's planning team for light-water reactors, said that the KEDO agreement would specify the provision of ROK-style light-water reactors, and noted that it was yet unclear whether the PRC and Russia would join.

**Russia 'Negative' Toward Joining KEDO**

*SK0403031195 Seoul YONHAP in English 0228 GMT  
4 Mar 95*

[FBIS Transcribed Text] Tokyo, March 4 (YONHAP)—Russia is negative toward joining the Korea Peninsula Energy Development Organization (KEDO), the international consortium tasked with providing light-water nuclear reactors to North Korea, as indicated Friday afternoon in a meeting between Russian Foreign Minister Andrey Kozyrev and his Japanese counterpart Yohei Kono here.

Kono requested that Russia join the KEDO not only to help implement nuclear non-proliferation but also to help secure security in the Asian and Pacific region.

In response, Kozyrev reportedly aired serious doubts about the practicability of the U.S.-North Korea nuclear framework agreement by saying, "The Washington-Pyongyang agreement, being complicated in structure, has areas requiring further discussion. I don't think it guarantees success in its present form."

Kozyrev also told Kono that "Russia, being familiar with atomic power facilities in North Korea, is of the opinion that Russian model reactors are best for the North."

On the other hand, Kozyrev expressed support for Japan's bid to become a permanent member of the United Nations Security Council when he said, "Japan's aspirations are taken for granted by other countries. We support Japan's ideas with maximum friendship."

**ROK Firm Primary Contractor for KEDO**

*SK0403021995 Seoul YONHAP in English 0204 GMT  
4 Mar 95*

[FBIS Transcribed Text] Washington, March 3 (YONHAP)—South Korea, the United States and Japan agreed to specify the South Korean standard model light-water reactor in the agreement for the founding of the Korean peninsula Energy Development Organization (KEDO) as the reactors to be supplied to North Korea.

After having a meeting with U.S. and Japanese nuclear ambassadors, Robert Gallucci and Tetsuya Endo, respectively, South Korea's nuclear ambassador, Choe Tong-chin said Friday that the South Korean standard model will be expressed appropriately in the agreement on the founding of the KEDO.

Choe said, "The reactor to be provided to North Korea is a South Korean standard model and the plant to be provided is the Korean standard nuclear power plant designed, manufactured and constructed by Korean firms. That is quite clear and there is no other way about it."

He added that the primary contractor of the KEDO will be a South Korean enterprise.

Robert Gallucci also said that there is no alternative to the South Korean reactor. "There is no change, and we are very firm and we are united in that position."

On March 9, the three countries will hold a ceremony for the signing of the agreement for the founding of the KEDO, an international consortium tasked with supplying light-water reactors to the North in return for the freezing of its nuclear development program.

The three countries will attend an international conference to prepare for the foundation of KEDO in New York City from March 8-9, along with approximately 20 countries from Asia, the Pacific, Europe, North America and the Middle East.

Meanwhile, Australia and New Zealand will give financial support, five million U.S.dollars and 325,000 dollars, respectively, for the KEDO, Gallucci said.

## Japan

### Kozyrev Continues Official Visit in Tokyo

#### Meets With Kono on Chechnya

*OW0303155395 Tokyo KYODO in English 1524 GMT  
3 Mar 95*

[FBIS Transcribed Text] Tokyo, March 3 KYODO—Foreign Minister Yohei Kono told his Russian counterpart Andrey Kozyrev on Friday [3 March] evening that Japan has strong concerns over the fighting in Russia's breakaway republic of Chechnya and urged Russia to pursue reforms, Foreign Ministry officials said.

Kono told Kozyrev during a nearly three-hour working dinner meeting at the Iikura Guest House in Tokyo that Japan is concerned that the fighting in Chechnya may reverse Russia's reform efforts, the officials said.

He expressed concern that fighting still continues in Chechnya although three months have passed since Russian troops entered the republic and also that force was used to solve the conflicts, costing the lives of a great number of civilians, they said.

Kono told Kozyrev that Japan hopes Russia will make "serious efforts" to peacefully solve the conflict and make sure that its political and economic reforms make substantive progress.

Kozyrev, in Japan since Thursday night for a three-day visit, countered that he believes force should have been used much earlier, since that could have averted the heavy cost in lives, the officials said.

He was quoted as saying that organized crime should not be allowed in any country and that Russia had taken action to restore order based on law, they said.

Kozyrev assured Kono that the conflict over Chechnya will not weaken Russia's commitment to pursue reforms but will rather strengthen Moscow's determination.

In the talks, which Japanese officials described as being held in a "good atmosphere," Kozyrev said Russia will soon make an official application to participate in the Asia-Pacific Economic Cooperation (APEC) forum, the officials said.

Kozyrev was quoted as telling Kono that Russia wants to make the application while Japan is chairing the APEC.

While pointing out that new memberships in the APEC were frozen for three years at the APEC meeting in Seattle in 1993, Kono replied that the matter may be discussed during this year's meeting in Osaka in November and that he will take note of Russia's strong desire to participate, the officials said.

Turning to the situation on the Korean peninsula, Kono urged Russia to join an international consortium to provide North Korea with safer, light-water nuclear

reactors, saying the project is important from a nuclear non-proliferation point of view.

Kozyrev reiterated Russia's position that it thinks it best to give Russian-made nuclear reactors to North Korea because Pyongyang already has Russian facilities and technical knowledge about Russian models.

Kono, however, told Kozyrev that Japan thinks the "best option" is to use South Korean-models and repeated calls for Russia to join the project, provisionally dubbed the Korean Energy Development Organization (KEDO).

Kozyrev also said that while Russia gives high marks to U.S. efforts in achieving a nuclear accord with North Korea, there is no guarantee that the accord will be successfully implemented, they said.

On another note, Kono called for Russian support for Japan's bid to become a permanent member of the UN Security Council, saying the backing of five permanent member countries—the U.S., Russia, China, France and Britain—is crucial for Japan's bid.

Kozyrev said he considers the Japanese desire "natural" and has been instructing Russian officials at the UN to favorably consider Japan's stance on UN matters.

The Japanese ministry officials said Kozyrev's remarks are the clearest stance expressed by Russia on Japan's efforts to become a permanent member of the Security Council.

### Agreement To Hold Fishing Talks

*OW0403063995 Tokyo KYODO in English 0627 GMT  
4 Mar 95*

[FBIS Transcribed Text] Tokyo, March 4 KYODO—Foreign Minister Yohei Kono and Russian foreign Minister Andrey Kozyrev agreed Saturday to hold formal negotiations March 13-14 in Moscow on Japanese fishing near disputed islands.

Russia has said a planned agreement on fishing rights must be concluded between the governments of the two countries, while Japan is reluctant to sign a government treaty, fearing that such a pact would be interpreted as an implicit recognition of Russian sovereignty over the disputed islands off Hokkaido, Japan's northernmost main island.

The four isles were seized from Japan by the former Soviet Union at the end of World War II. Russian border guards have fired warning shots at Japanese fishing boats operating in the area.

### No Progress on Territorial Issue

*OW0403082395 Tokyo KYODO in English 0745 GMT  
4 Mar 95*

[FBIS Transcribed Text] Tokyo, March 4 KYODO—Foreign Minister Yohei Kono and Russian Foreign Minister Andrey Kozyrev failed Saturday [4 March] to break

the deadlock over the two nations' longstanding territorial row, merely reaffirming efforts toward a solution based on a 1993 accord.

But Kono and Kozyrev, who met for about four hours in Tokyo, agreed to begin official negotiations on fishing rights in the waters around the disputed islands March 13-14 in Moscow, Foreign Ministry officials said.

Kono was quoted as telling Kozyrev the Japanese public is disappointed with the lack of progress on the territorial dispute despite the momentum gained during Russian President Boris Yeltsin's visit to Japan in October 1993.

He called for making step-by-step progress on the dispute based on the Tokyo declaration signed between the two countries during Yeltsin's Japan trip.

The declaration called for a solution to the decades-old dispute based on the principles of "law and justice," and confirmed that all treaties and international accords between Japan and the former Soviet Union will continue to be applied to relations between Japan and Russia.

Pointing out that this year marks the 50th year since the end of World War II, Kono called for mutual efforts in overcoming negative remnants of the past despite Russia's restraints in regard to its parliament and public opinion, the officials said.

Kozyrev was quoted as saying Russia intends to build relations with Japan based on the Tokyo declaration but that it wants to seek progress on the territorial row "without haste" by gaining sufficient understanding from the public.

The long-running conflict over the islands seized by the former Soviet Union at the end of the war has prevented Tokyo and Moscow from concluding a peace treaty.

While Kono urged Russia to fully withdraw troops from the four disputed islands of Etorofu, Kunashiri, Shikotan and the Habomai islets to help solve the row, Kozyrev replied that Moscow will send a group of experts to Tokyo sometime to "explain the difficult aspects" of the withdrawal, the officials said.

Ministry officials said some 7,000 Russian military personnel were stationed on the islands as of July 1992.

Also during the regular foreign ministerial meeting with Kono, Kozyrev presented Kono with a list of Japanese prisoners of war (POWs) who died while in detention in Siberia, the officials said.

The list, which includes the names of 5,649 Japanese as well as the names of places where they died, will be handed over to the Japanese Health and Welfare Ministry for scrutiny. The ministry will then contact the families of the deceased.

It is the second such list offered by Moscow, the officials said. Then Soviet President Mikhail Gorbachev handed over a list of 36,000 Japanese POWs when he visited Japan in 1991.

Some 60,000 Japanese POWs are said to have died in Soviet prisons and labor camps after World War II.

On fisheries in the waters near the disputed islands, Kono and Kozyrev agreed that the negotiations to begin next week should be conducted in a way so as not to hinder the legal stances of the two countries on the four islands.

While Kozyrev said the negotiations are important to establish a framework to end "poaching" by Japanese fishermen, Kono countered that the four islands were originally Japan's and strongly urged Russian patrol boats to stop firing at and detaining Japanese fishing boats operating near the disputed islands, the officials said.

Touching on bilateral economic ties, Kono said Japan is studying a certain Russian proposal on a government-level committee to discuss bilateral economic and trade problems which the two sides agreed to set up when Russian Deputy Prime Minister Oleg Soskovets visited Japan in November.

But the Japanese officials declined to disclose the content of the Russian proposal.

Kozyrev, in Tokyo since Thursday night, held two rounds of talks with Kono before returning home Saturday afternoon.

#### **Discusses DPRK, Other Issues**

*OW0403083695 Tokyo KYODO in English 0820 GMT 4 Mar 95*

[FBIS Transcribed Text] Tokyo, March 4 KYODO—Russia's participation in a multilateral organization to provide North Korea with safer nuclear reactors is vital to the success of the project and to the elimination of Pyongyang's nuclear threat, Russian Foreign Minister Andrey Kozyrev said Saturday [4 March].

"The more appropriately Russia takes part in this project, the more progress and success will be promised in resolving the whole of this issue," Kozyrev said at a news conference wrapping up his three-day visit to Japan.

Saying North Korea has traditionally been pushing for its nuclear development projects with the use of Russian technology and expertise, Kozyrev maintained it is better to use his country's nuclear know-how in the international project.

The remark is an apparent recommendation that North Korea be provided with Russian technology for a

modern reactor system instead of the South Korean technology agreed upon among the United States, Japan and South Korea.

Kozyrev also said Moscow is still considering whether it will attend an inaugural meeting in New York on Tuesday of the proposed international consortium, known as the Korean Peninsula Energy Development Organization (KEDO).

"In fact, we are thinking about this matter now," he said. "(But) I want to make clear we are highly interested in the issue itself."

On his series of meetings with Prime Minister Tomiichi Murayama and Foreign Minister Yohei Kono, Kozyrev said the two sides deepened their mutual understanding and reaffirmed the need to further promote bilateral relations.

"We also reaffirmed that both countries will do their utmost to resolve some problems existing between them from the standpoint of good-neighbor policy," he said, apparently referring to the long-simmering bilateral territorial row.

He did not elaborate on the territorial dispute over four Russian-occupied islands off Japan's northernmost main island of Hokkaido. For decades, the quarrel has barred Tokyo from concluding a peace treaty with Russia.

Despite their less-than-perfect relations, Kozyrev expressed confidence that political dialogue between the two nations is heading in a favorable direction.

"My impression is that optimism is on the upswing over the potential success of the fishing negotiations," Kozyrev said.

He also expressed hope the formal negotiations on fishing rights in the waters off the contested islands set for March 13-14 in Moscow will make headway without endangering the two countries' interests and political positions.

Kozyrev indicated Russia's understanding of and support for Japan's bid for a permanent seat on the UN Security Council, stating that Japan's presence in the powerful UN body is important.

#### **Invites Defense Agency Visits**

*OW0403115795 Tokyo YOMIURI SHIMBUN in Japanese 4 Mar 95 Morning Edition p 2*

[FBIS Translated Text] Defense Agency Administrative Vice Minister Shigeru Hatakeyama met with Russian Deputy Defense Minister Boris Gromov at the Defense Agency on 3 March. At the meeting, the Russian deputy defense minister invited anew Defense Agency Director General Tokuichiro Tamazawa to visit Russia. In response, Hatakeyama said: "We want to promote relations between the Defense Agency and the Russian Defense Ministry step-by-step in keeping with any future

improvement in overall Japanese-Russian relations. We want to do this because of the northern territories issue. The Japanese people have earnestly hoped for a solution to the issue." In this way, he indicated that Japan will have to promote defense exchanges with Russia while observing progress in the solution of the northern territories issue.

#### **Russian Aid to Iran Noted**

*OW0503140195 Tokyo ASAHI SHIMBUN in Japanese 5 Mar 95 Morning Edition p 2*

[FBIS Translated Text] It was revealed on 4 March that Yohei Kono, deputy prime minister and concurrently foreign minister, during his meeting on 3 March with Russian Foreign Minister Andrey Kozyrev, expressed Japan's concern over Russia's aid for Iran's nuclear reactor development project. The Ministry of Foreign Affairs [MOFA] explained that Kono made his "remarks from Japan's standpoint of advocating the principle of nuclear nonproliferation." Meanwhile, Japan is facing difficulties, being under strong U.S. pressure against Japanese yen loans to Iran for that country's hydroelectric power plant construction project. Since the United States has also indicated "serious concern" over Russia's aid to Iran, it is believed that Kono made his remarks in consideration of the U.S. stance, among other reasons.

According to the MOFA, the issue of Iranian nuclear reactor development project came up in connection with the issue of the project to convert the DPRK's (North Korea) nuclear reactors to the light-water type. Russian officials reportedly explained: "Iran is a signatory to the Nuclear Nonproliferation Treaty (NPT) and has accepted IAEA inspections. We firmly believe that Iran's project will be for peaceful purposes."

In response, Kono urged the Russian Government to reconsider its aid to Iran, saying: "We would like to see Russia take appropriate steps in order to help maintain the framework for nuclear nonproliferation."

Last January, Russia concluded a contract with Iran totaling approximately \$800 million for constructing a 1.2 million kilowatt nuclear reactor which will be part of an atomic power plant in southern Iran.

#### **Articles Review Kozyrev's Visit to Tokyo**

##### **No Progress Seen**

*OW0503134695 Tokyo NIHON KEIZAI SHIMBUN in Japanese 5 Mar 95 Morning Edition p 2*

[FBIS Translated Text] A regular foreign ministerial meeting between Japan and Russia ended on 4 March. At the meeting, the foreign ministers of the two countries discussed the northern territorial issue but merely reconfirmed their commitment to solve the dispute based on the "Tokyo Declaration" signed in 1993. The results of the meeting have brought out again the grim reality that it is not easy to settle the territorial dispute.

If the foundation of the government of President Boris Yeltsin weakens and Russia's reform efforts suffer a setback due to the Chechen crisis, the future of territorial negotiations will be increasingly unclear. Or the talks may be bogged down. Although the two countries agreed at the recent meeting to start formal negotiations on fishing rights in the waters around the disputed four northern islands, difficulties are already expected in promoting the talks because there are many issues concerning the sovereignty over the islands, such as questions of which side should clamp down on boats illegally fishing and which should try illegal fishing cases. Tokyo will have to continually make tenacious efforts until it finds a way to break the deadlock in the territorial issue.

At a meeting on 4 March, Yohei Kono, deputy prime minister and foreign minister, told Russian Foreign Minister Andrey Kozyrev: "The Japanese people are disappointed. The two sides should make efforts to overcome negative vestiges of the past." In this way, he urged efforts to make tangible progress in the territorial issue. However, Kozyrev maintained the principle of settling the issue "based on the Tokyo Declaration."

From the beginning, Tokyo had not expected that progress would be made during Kozyrev's visit to Japan. A top Foreign Ministry official had said: "It is satisfactory only if the contents of the Tokyo Declaration are reconfirmed." Because of the worsening Chechen situation, the cohesive power of the Yeltsin administration appears to be waning. Also, the international community has intensified its criticism of Moscow because of heavy casualties in the Chechen crisis. In such a situation, it was inevitable for the government to take a firm attitude toward Moscow in talks with Kozyrev.

Although Tokyo used to dangle a "carrot" of economic assistance in negotiating with Russia, this diplomatic tactic was not adopted in the recent talks. Also, when Kozyrev called for discussions on bilateral trade and economic issues at a Japan-Russo committee, which the two sides agreed to set up in November, and for Japan's loans through the IMF, Prime Minister Tomiichi Murayama and Kono gave him few positive replies.

The agreement to begin official negotiations on fishing rights is said to be the "only good result" which came out of the recent talks. However, the truth is that Tokyo and Moscow had planned to start the negotiations before the foreign ministerial meeting but had postponed it because of inconvenience on Russia's part. Major topics in the negotiations will be which side should clamp down on boats illegally fishing and which should try the illegal fishing cases. During the 4 March talks, Kozyrev said: "The objective of this meeting is to end poaching," apparently speaking on the premise that the four islands are Russia's. Kono countered, saying: "We intend to secure the orderly fishing by Japan's law."

There are many who think the two countries cannot make progress in the territorial issue because of the political unrest in Russia and "instability of Japan's

coalition government," (according to a senior Foreign Ministry official). During talks with Kozyrev on 3 March, Kono stressed that the foundation of the coalition government is stable, saying: "The present government has carried out many tasks, such as budget compilation, political reform, and administrative reform." However, a senior official at a ruling party said: "Russia has detected Murayama's weak leadership and the fact that the three ruling parties are in disarray."

#### Official Optimistic on Talks

OW0403101595 Tokyo KYODO in English 0950 GMT  
4 Mar 95

["News Focus" by Miu Oikawa Dieter: "Kozyrev Trip Fails To Provide Impetus to Bilateral Ties"]

[FBIS Transcribed Excerpt] Tokyo, March 4 KYODO—Russian Foreign Minister Andrey Kozyrev's three-day visit to Japan, which ended Saturday [4 March], failed to break new ground in Russo-Japan relations long stalled over a territorial dispute dating back to the end of World War II.

Japanese Prime Minister Tomiichi Murayama and Foreign Minister Yohei Kono, in talks with Kozyrev, separately called for mutual efforts toward tangible progress based on a 1993 bilateral accord, particularly pointing out the importance of this year as the 50th since the end of World War II.

But as expected, the two sides failed to go beyond reconfirming their commitment to solve the conflict based on the Tokyo declaration signed in October 1993 when President Boris Yeltsin visited Japan. [passage omitted covered by referent item]

But despite the failure to achieve substantial progress on major bilateral issues, Japanese officials expressed satisfaction with Kozyrev's visit for a regular foreign ministerial meeting.

"The trip was very meaningful," said a ministry official. "We were able to hold frank discussions on a wide range of bilateral and international issues, including the situation in Chechnya and Russia's reforms."

The official cited an agreement to begin official negotiations on fishing rights in waters around the disputed islands March 13-14 in Moscow as one of the achievements. [passage covered by referent item]

"Through more than six hours of talks between Kono and Kozyrev, it seemed to me the two foreign ministers were able to establish a personal, trusting relationship. So it was most fruitful," said an official who attended the two-day talks.

#### Editorial: 'No Substantial Progress'

OW0603031495 Tokyo NIHON KEIZAI SHIMBUN in  
Japanese 6 Mar 95 Morning Edition p 2

[Editorial: "Turn Dialogue Into Negotiations"]

[FBIS Translated Text] On his visit to Japan, Russian Foreign Minister Kozyrev held separate talks with Prime Minister Murayama and Deputy Prime Minister and Foreign Minister Kono. As a result, it was reconfirmed that negotiations aimed at settling the northern territories dispute and concluding a peace treaty will be continued in accordance with the "Tokyo Declaration" announced in the autumn of 1993. In addition, it was decided that talks on ensuring fishing in waters near the northern territories will be held in early March.

However, no substantial progress was made on pending issues including the northern territories. As for the holding of fishery talks, this was previously decided upon but postponed at Russia's convenience. Frankly speaking, we have to say the recent talks were fruitless.

On the other hand, in a series of talks views were exchanged on such issues as the Chechen situation, Yeltsin's reform plans, and Russia's possible participation in the "Korean Energy Development Organization (KEDO)." Meanwhile, Japan also viewed the talks as an opportunity to win Russia's positive support for its bid to win permanent membership on the UN Security Council.

When Japan's political and economic positions in the international arena are considered, we cannot deny the importance of laying the groundwork, including exchanges of views. From this point of view, we can say the recent talks had certain significance. But we cannot so easily accept the recent trend of overestimating the significance of exchanging views. At a news conference, Russian Foreign Minister Kozyrev cited the fact that frequent dialogue had been held between Japan and Russia to counter argue the view that bilateral relations are stagnant. It is true that it is better to have an opportunity for dialogue than not to have, but we cannot say bilateral relations will be improved by the accumulation of dialogue alone, and therefore, attention should be called to the fact that relations have not yet ripened.

Japan has not yet concluded a peace treaty with Russia, and the foundation of bilateral relations has not been established. This is how it differs from relations with other European nations. Unless such relations with Russia are improved, the two nations will always be haunted by a sense of instability.

In promoting dialogue, discussion of the biggest pending issue is unavoidable. In this sense, it was noteworthy that Japan not only reconfirmed what was described in the "Tokyo Declaration" with Russia, but urged the nation to take a step forward in settling the issue. On the contrary, the position of Russia, which ended the talks by merely reconfirming the declaration and without making any progress, has to be called into question.

It seems that what also lies behind the fact that consultations have become opportunities for exchanging views is Japan's attitude toward the negotiations. It appears that at the stage of knowing Russia's position, Japan is

satisfied with just saying what it has in mind. This is a careless attitude. True diplomacy is making efforts to persist in one's own position.

When the current situation in Russia is considered, it may be aiming too high to expect immediate progress on the pending issue during the course of dialogue. But we urge Japan to make efforts to gradually turn dialogue into negotiations.

#### **Soviet Industrial Use of Nuclear Blasts Revealed**

*OW0503031695 Tokyo KYODO in English 0307 GMT  
5 Mar 95*

[FBIS Transcribed Text] Tokyo, March 5 KYODO—The former Soviet Union conducted 116 underground nuclear explosions between 1965 and 1988 to search for mineral resources, open oil reserves, or for other industrial purposes, a Japanese newspaper said Sunday [5 March].

The ASAHI SHIMBUN said in a front-page story from London that a nuclear information center, which has a strong connection with the Russian Nuclear Energy Ministry, drew up a report on the underground nuclear explosions detonated by the former Soviet Union.

The report "made clear that the former Soviet Union scattered nuclear radiation not only at testing sites but all over its land, thus causing a proliferation of (radioactive) contamination," the ASAHI said.

According to the report, the Soviet Union promoted the explosions as the "peaceful use" of nuclear power, and they accounted for about 20 percent of all nuclear explosions underground—including nuclear weapons tests—conducted by the Soviet Union, the ASAHI said.

Of the 116 explosions, 39 were to explore for resources, 21 were for extracting oil and one was for taking natural gas, while others were used in constructing dams and reservoirs, according to the report.

Most of the nuclear explosions 81 took place in Russia, while nuclear devices were exploded 30 times in Kazakhstan, twice each in Ukraine and Uzbekistan, and once in Turkmenistan.

#### **Lloyds of London To Enter Insurance Market**

*OW0603104795 Tokyo KYODO in English 0910 GMT  
6 Mar 95*

[FBIS Transcribed Text] Tokyo, March 6 KYODO—The Finance Ministry plans to allow the Lloyds Insurance Group of Britain into the Japanese market from the spring of 1996, ministry officials said Monday [6 March].

The ministry intends to incorporate legal measures necessary for the entry of the world's oldest insurance giant into a bill revising the insurance business law to be effective from next spring and submit it to the current Diet session, the officials said.

The Lloyds Group, established in 1688, is the world largest reinsurance business, underwriting insurance of insurers.

In Japan, however, there is no entity to mediate insurance contracts between Lloyds and insurance companies.

Japanese insurers are therefore doing business with Lloyds through their branches in London, where Lloyds has its headquarters.

The Lloyds group has long requested being allowed to establish a base in Japan as a way to enter into the Japanese insurance market, the officials said.

British Secretary of State for Trade and Industry Michael Heseltine asked Finance Minister Masayoshi Takemura during his visit to Japan in late January for permission to set up a Japanese subsidiary of the Lloyds Group, they said.

The ministry has judged that legal measures are necessary to approve organizations peculiar to Lloyds, where member companies assume responsibility for underwriting insurance with their property held in mortgage, they said.

It is also considering accepting such organizations through government or ministerial ordinance in revising the insurance business law, they said.

The Japanese nonlife insurance industry remains uncertain whether Lloyds will deal with only reinsurance in Japan or whether it will also enter the nonlife insurance market, industry sources said.

Nonlife insurers will be eager to sound out Lloyds on its business strategy, including what kind of instruments it intends to market in Japan, the sources said.

#### **Tokyo To Submit Deregulation Request to EU**

*OW0603131495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Mar 95 Morning Edition p 3*

[FBIS Translated Text] The government plans to gradually change the one-sided situation in which it has found itself being bombarded with demands from Western nations to ease its regulations. To start off, it plans to submit to the EU as early as in March a request for deregulation. It has already started collecting requests concerning deregulation in the EU from domestic business organizations and other groups. Although it is unusual for Japan to submit such a request to foreign countries, the government's idea is based on the concept that a mutual exchange of opinions toward deregulation would effectively contribute to promoting the sound growth of the world economy.

At such venues as the Japanese-U.S. framework trade talks and the Japanese-EU high-level working meetings, the United States and the EU have, as a matter of fact, unilaterally demanded that Japan carry out deregulation. In some quarters of the government in the past, voices

have been raised saying that "essentially, such discussions should be conducted in a bilateral manner." Because some Japanese firms have expressed dissatisfaction with the procedures involved in bidding on government procurement projects in the EU and over safety standards there, the Ministry of Foreign Affairs [MOFA] and the Ministry of International Trade and Industry have taken the initiative to request the EU to conduct a review of such matters.

However, in some quarters of the MOFA, it has been pointed out that "when asked about regulations in the United States, not many Japanese firms have expressed serious concerns" (as stated by a senior MOFA official). Thus, it seems that—putting aside the case of the EU—"the further easing of Japan's regulations must come first" before the Japanese Government can convince foreign countries, including the United States, to conduct "two-way discussions" with it.

#### **Interim Report To Set Deregulation Guidelines**

*OW0403095695 Tokyo NIHON KEIZAI SHIMBUN in Japanese 4 Mar 95 Morning Edition p 2*

[FBIS Translated Text] With the government scheduled to formulate a "five-year plan for the relaxation of regulations" at the end of March, the Management and Coordination Agency [MCA] decided on 3 March to ask government ministries and agencies to clearly indicate in an interim report to be released on 10 March "regulations to be abolished" and "procedures concerning the regulations that are to be simplified," as well as other specific matters concerning the easing of regulations. The MCA decided to do so in a bid to make clear progress in the easing of regulations.

In the face of strong demands from the United States and the European Union (EU) for the transparency of Japan's policy on relaxing regulations, the MCA aims to urge government ministries and agencies to vigorously work on easing regulations at the stage of compiling the interim report. The government intends to ask each ministry and agency to announce, in the interim report to be released on 10 March, what it has been doing in reviewing regulations under its administrative jurisdiction. The MCA and the Cabinet Councillors Office on Internal Affairs sent a "guideline for the announcement" to each ministry and agency on 27 February. They also asked each ministry and agency to classify more than 1,000 regulations into four categories: 1) regulations to be eased; 2) regulations under review; 3) regulations that are difficult to ease; and 4) others. With regard to the regulations that are hard to ease, the MCA and the Cabinet Councillors Office on Internal Affairs asked each ministry and agency to clearly indicate the reasons why this is the case.

#### **Ruling Parties Study 65 Deregulation Proposals**

*OW0603132095 Tokyo KYODO in English 1251 GMT 6 Mar 95*

[FBIS Transcribed Text] Tokyo, March 6 KYODO—The ruling coalition's special task force for administrative reforms is studying 65 deregulation proposals in line

with Prime Minister Tomiichi Murayama's pledge to ease government control in a wide range of areas, coalition sources said Monday [6 March].

Among the proposals being considered are relaxations of exhaust fumes tests for cars and certification standards for auto parts, the scrapping of government permission for the electricity wholesale business, a review of the regulations for electricity charges and a sweeping review over restrictions on food additives, the sources said.

The government has named deregulations as one of its most important tasks along with the streamlining of government-supported special organizations.

The government plans Friday to draw up an interim report on the deregulation plans by government ministries and agencies to provide materials for the ruling coalition's discussions on the issue aimed at fashioning a final report.

Many of the items being considered by the coalition task force are steps called for by Japan's major trade partners, such as the United States, the European Union and Australia.

#### **Deregulation Hearings To Open to Press**

*OW0303142695 Tokyo ASAHI SHIMBUN in Japanese 3 Mar 95 Morning Edition p 2*

[FBIS Translated Text] The ruling parties' administrative reform project team (chaired by Kiyoshi Mizuno) decided on 2 March to open to the press hearings of ministries' and agencies' opinions on deregulation, which will start in mid-March. The project team has been discussing deregulation issues in line with the government's efforts to work out a five-year program for promoting deregulation. As bureaucrats' strong opposition to deregulation plans is expected, it apparently aims to get them into a corner "in public."

The administrative reform project team compiled a plan for reforming special-status corporations, excluding government-affiliated financial institutes, in mid-February. Since then, it has privately heard from each ministry and agency about the situation of their discussion on deregulation. However, with the final deadline for the five-year deregulation program set for the end of March, the government has decided to work out an interim report by around 10 March. The decision comes in response to calls from the United States, European nations, and other countries for the "transparency in policy decisions."

The ruling parties' administrative reform project team will also be tested for its "political leadership" as well as the "transparency in the policy-decision process." The project team has decided not to allow ministries and agencies to make deregulation measures ambiguous in a final report by using the term "under study." It has also decided that in case it is difficult to come up with specific deregulation measures, the reasons for this

should be stipulated in the final report. Based on this decision, the project team will tackle future hearings.

The project team has indicated its determination, saying that "if they reject hearings, we are ready to summon them to the Diet special committee," (as stated by Chairman Mizuno). Now, the question is: to what extent will the project team be able to overcome resistance from ministries and agencies?

#### **Tokyo, Washington To Review Security Treaty**

*OW0303131595 Tokyo KYODO in English 1216 GMT 3 Mar 95*

[FBIS Transcribed Text] Tokyo, March 3 KYODO—The defense chiefs of Japan and the United States plan to discuss a possible review of the bilateral security treaty in May, a senior official at Japan's Defense Agency said Friday [3 May].

Japanese Defense Agency Secretary General Tokuichiro Tamazawa plans to visit the U.S. in early May, and is scheduled to meet the U.S. Pacific Commander in Hawaii and Secretary of Defense William Perry in Washington.

Tokyo is preparing to hold a joint press conference with Washington during the visit on the bilateral security setup following the Cold War era, the official said.

In the U.S., Tamazawa also plans to discuss proposed cutbacks in U.S. bases in Okinawa, southwestern Japan.

Okinawan authorities have for years urged a reduction of local U.S. military facilities, and U.S. President Bill Clinton has pledged efforts toward the proposed cutbacks.

#### **Growing Number of Okinawans Accept U.S. Bases**

*OW0403085295 Tokyo KYODO in English 0810 GMT 4 Mar 95*

[FBIS Transcribed Text] Tokyo, March 4 KYODO—A growing number of residents of Okinawa Prefecture accept the presence of U.S. military bases in the island prefecture for national security, the Prime Minister's Office reported Saturday [4 March].

The office said its survey, conducted last November, showed that 31 percent of respondents reluctantly accepted U.S. facilities as necessary for Japan's security, up 7.4 percentage points from the previous poll taken in 1989.

It said 7.8 percent expressed positive support.

In contrast, the office said those who opposed the presence of U.S. military bases decreased 5.7 percentage points to 29.4 percent, while 24.9 percent said they are unnecessary.

As for Japan's Self-Defense Forces personnel deployed in the prefecture, the survey showed that 47.1 percent passively accepted their presence, up 12.4 points, the office said.

It said 21.0 percent replied their presence is necessary.

The office said 83.3 percent of the respondents described the 1972 reversion of Okinawa from U.S. to Japanese administration as good.

Only 10 percent responded negatively, it said.

The poll surveyed 2,000 residents over 20 years of age, with a response rate of 70.8 percent, the office said.

### **Ota 'Unhappy' About U.S. Security Report**

*OW0403034495 Naha RYUKYU SHIMPO in Japanese  
4 Mar 95 Morning Edition p 2*

[FBIS Translated Text] Regarding the U.S. Defense Department's "report on Japan-U.S. security," the Okinawa Prefectural Government is perplexed by the fact that it did not talk about reducing military bases on Okinawa as it had hoped, but instead emphasized the importance of the Japan-U.S. security system.

Okinawa Governor Masahide Ota expressed his displeasure, saying: "I must say this leaves me unhappy." He noted that Okinawa's three military base issues including the return of Naha Military Port were referred to only as "being under discussion on the premise that alternate sites will be provided," and there was no reference to other pending issues.

The report is a summary of results of an overall review done on the Japan-U.S. security system pursuant to the Defense Spending Revision Act.

The Act was passed—with Governor Ota's visit to the United States forthcoming—after efforts by such Congressional members as Ronald Dellums (former Armed Services Committee chairman) and Neil Abercrombie. The prefectural government had hoped the report based on the Act would address the overall issues of incidents and accidents that arise from military bases on Okinawa.

But the report has turned out to be one that brings to the fore only the importance of the security system in a tone similar to that of the "New Strategy on East Asia" announced earlier. Governor Ota spoke positively of the report's reference to the three military base issues, saying: "The fact they were referred to specifically can be said to be the fruit of efforts made so far." On the other hand, the governor said: "But other issues are not touched on at all, and there is almost no mention of economic issues, the environment, and safety, that arise from the presence of military bases. I feel discontented in general."

To view the history of the Act being enacted in the U.S. Congress, it first began as a lower house bill that initially

called for an overall review of only the bases on Okinawa. But later, at upper and lower house committees, it was revised to one aimed at reviewing the whole Japan-U.S. security system including Asia and the Pacific in perspective. When this revision was made, in Japan, some military commentators predicted: "It has now become likely the report will end up one that only reconfirms the importance of U.S. Armed Forces on Okinawa."

Asked about these voices of concern at that time, in a news conference Governor Ota expressed hope the report would address a realignment, reduction, and consolidation of bases on Okinawa, saying: "I think it will head in the direction of reducing the bases or promising more efficiently-run bases and high-tech assisted base functions." But in the end, the report has turned out to be something far from the prefecture's expectations, and one that almost ignored the request to "have the wishes of the prefectural residents reflected in it."

### **Takemura, French Minister on Currency Speculation**

*OW0303144595 Tokyo KYODO in English 1427 GMT  
3 Mar 95*

[FBIS Transcribed Text] Tokyo, March 3 KYODO—Top financial officials of Japan and France on Friday [3 March] issued a joint statement saying recent foreign exchange markets have been speculative and do not reflect economic fundamentals.

The statement was issued by Masayoshi Takemura and Edmond Alphandery as the U.S. dollar hit a new global low of 94.80 yen in New York early Friday.

"It is essential for monetary authorities, including Japan and France, to cooperate closely to resolve this situation," the statement said.

The French finance minister is here for an official visit.

### **G-7 Agrees on Action To Support Dollar**

*OW0303164595 Tokyo KYODO in English 1633 GMT  
3 Mar 95*

[FBIS Transcribed Text] Tokyo, March 4 KYODO—The Group of Seven (G-7) industrialized countries have agreed to take concerted action to support the dollar on foreign exchange markets, Japanese Finance Minister Masayoshi Takemura said early Saturday [4 March] morning.

Takemura, speaking at an emergency press conference held after midnight, said he confirmed the commitment of the G-7 in telephone talks with U.S. Treasury Secretary Robert Rubin.

He said that both agreed that current foreign exchange markets do not correctly reflect economic fundamentals, and would damage the development of the world economy.

The minister said he had also spoken with Rubin earlier in the day by telephone on the inadequate levels in the markets.

Despite Takemura's emergency press meeting and massive coordinated intervention by the Bank of Japan and central banks of other countries, the dollar plunged to a postwar record low of 94.13 yen in New York late morning trading.

Factors making participants pessimistic about the dollar are the Mexican financial crisis and the possibility of a weakening in U.S. interest rates, but speculation is the main factor behind the dollar's historic decline, analysts said.

Prior to the emergency press conference, Takemura and his French counterpart Edmond Alphandery, who is on a visit to Japan, released a joint statement saying the foreign exchange markets are not correctly reflecting economic fundamentals.

#### **Tokyo, BOJ To Take Steps To Halt Yen Surge**

*OW0503142695 Tokyo NIHON KEIZAI SHIMBUN in Japanese 5 Mar 95 Morning Edition p 3*

[FBIS Translated Text] The government and the Bank of Japan [BOJ] have almost no means left to stop the rapid surge of the yen rate hitting the record high at below 94 yen levels to a dollar in the New York market. Finance Minister Masayoshi Takemura's midnight press conference on 4 March was nothing more than a "performance" to overemphasize possibilities of multinational intervention in the foreign exchange market, and the market feels Japan-U.S. discord on the issue. The market feels that it is difficult to remedy structural causes of the dollar's plunge—such as U.S. fiscal deficits and the Mexican currency crisis—with multinational market manipulation. The yen and the mark will look strong even in the Tokyo market next week.

The government and the BOJ intend to take strong actions to arrest the yen's further rise against the dollar if the move is observed in the Tokyo Foreign Exchange market next week. In view of the stock market trends, the BOJ may work on the market to lower the short-term interest rates to check the yen surge by monetary manipulation.

Yet, the market views such actions by the Japanese monetary authorities are unlikely to bring immediate relief to the yen rate hike. Unlike Japan, the United States is not taking the yen-dollar rate very seriously because stock prices and long-term interest rates are relatively stable in the nation.

When the Group-of-Seven (G-7) finance ministers and central bank governors met in Toronto early in February, the participants did not fully discuss structural factors weakening the dollar, such as fiscal deficit of the United States. Individual G-7 members are leaning toward "domestic policy-oriented" stances, and they do

not want to carry on hot debates with each other by bringing up structural problems of other members. The market is therefore keeping an eye on the "lack of harmony" among the G-7 members. As a matter of fact, fundamental factors pushing up the yen rates have not settled yet, and many speculators are questioning effects of market intervention by the Japanese authorities.

#### **Murayama Vows 'Actions'**

*OW0603020595 Tokyo KYODO in English 0158 GMT 6 Mar 95*

[FBIS Transcribed Text] Tokyo, March 6 KYODO—Prime Minister Tomiichi Murayama said Monday that the coordinated intervention by central banks of the seven major industrial powers will continue in an effort to arrest the soaring yen.

"We are pursuing the policy of taking concerted actions by exchanging communications among the group of seven industrial nations," Murayama told a group of reporters at the premier's official residence.

He made the comments as the dollar continued its free fall from last week, hitting an all-time low of 92.70 yen at one point in morning interbank trading in Tokyo.

#### **Takemura's Pledge on Dollar**

*OW0503035095 Tokyo KYODO in English 0320 GMT 5 Mar 95*

[FBIS Transcribed Text] Tokyo, March 5 KYODO—Finance Minister Masayoshi Takemura indicated Sunday [5 March] that the monetary authorities will continue to step into currency markets to stem the yen's renewed surge against the dollar, in cooperation with those of other industrialized countries.

Speaking at a party convention of the Liberal Democratic Party (LDP), Takemura said, "Japan, the United States and European countries have reached a clear consensus on the matter."

"Based on that, we have conducted coordinated intervention into the market, but the dollar still seems weak. Therefore, we have to tackle earnestly the issue (of stabilizing currency movements) on Monday and beyond," he said.

The dollar took yet another dive to below 94 yen in New York trading Friday to hit a global postwar low against the yen, despite concerted intervention by the central banks of Japan, the U.S. and European countries.

Takemura, head of New Party Sakigake [Harbinger], attended the 59th LDP convention, along with Tomiichi Murayama, prime minister and chairman of the Social Democratic Party [Social Democratic Party of Japan—SDPJ]. The three parties form Japan's ruling coalition which came to power last June.

Referring to the reform of special public corporations, a key issue in the sweeping administrative reform planned

by the Murayama administration, Takemura indicated that his ministry will shortly come up with a plan to reform ministry-backed corporations.

Concerning financial sources to fund the rebuilding of the earthquake-damaged Kobe area in western Japan, he stressed the need for the ruling parties to have thorough discussions in order to iron out differences.

#### **Takemura Repeats Promise on Dollar**

*OW0603090295 Tokyo KYODO in English 0759 GMT  
6 Mar 95*

[FBIS Transcribed Text] Tokyo, March 6 KYODO—Current foreign exchange turmoil reflects a sinking of the dollar, not a surge by the yen, Finance Minister Masayoshi Takemura said Monday [6 March].

Takemura repeated promises for concerted dollar-buying by major central banks to prop up the U.S. currency but acknowledged that massive interventions have not stemmed the dollar's plummet against the yen and the German mark.

"The dollar's fall is proceeding," he told fellow leaders of the government and ruling coalition parties as the currency traded in the low 93 yen range in Tokyo, up modestly from its first postwar dip into 92 yen territory earlier in the session and just days after falling below 96 yen for the first time late last week.

"Japan, the United States and Europe must work more closely together," he said. "I want to do everything possible while closely watching the situation."

Acknowledging that the central banks are being swamped by a tide of dollar-selling in the global market with a daily volume of 1 trillion dollars, he said, "We have been intervening until now, but I'm worried as there has been no visible effect."

Citing difficulties in timing for interventions to be effective, he vowed to work toward "more foreign exchange stability."

Takemura said there are "various causes" for the dollar's slide, citing uncertainty in the European Exchange Rate Mechanism with the devaluation of the Spanish peseta, the Mexican financial crisis and the failure of a proposed U.S. Constitutional amendment to balance the fiscal budget.

#### **Economist Blames Poor Management**

*OW0603111495 Tokyo KYODO in English 1017 GMT  
6 Mar 95*

[FBIS Transcribed Text] Tokyo, March 6 KYODO—The yen's sharp gain against the dollar indicates poor management of Japan's economy and not economic strength, a Japanese economist said Monday [6 March].

Haruo Shimada, a professor at Keio University and member of the government's Commissions for Tax,

Industrial Structure and Deregulation, pointed out that the yen's purchasing power parity is around 145 on the basis of consumer prices.

The concept means that for every dollar an American spends on consumer goods, a Japanese would have to spend about 145 yen.

With the yen's exchange rate now at record highs in the 93 yen level against the dollar, the gap between the exchange rate and purchasing power parity shows the low living standards and poor economic management of the nation, he said.

"The Japanese economy is facing the problem of hollowing out and unemployment," and the government has to accelerate its efforts to revitalize the economy, Shimada urged.

Speaking at a professional luncheon at the Foreign Correspondents' Club of Japan, he said the government is moving in the right direction—pushing market opening and deregulation.

But the government, at the same time, should create an environment for new industries as a "safety net" for unemployment, particularly at small- and medium-sized companies.

Smaller companies have maintained employment so far by using up their assets, but they can't hold out for long, he said.

Shimada urged the government to actively spend on enriching infrastructure to stimulate the economy, and remove regulations that limit the emergence of new businesses, he said.

He said fields available for new businesses are those related to enriching living standards such as health care for the elderly, education and cultural or leisure activities.

#### **Yen, Dollar, Structural Issues Editorialized**

*OW0603004595 Tokyo NIHON KEIZAI SHIMBUN in  
Japanese 4 Mar 95 Morning Edition p 2*

[Editorial: "Turn Your Eyes on Structural Problems Rather Than on the Temporary Strong Yen Problem"]

[FBIS Translated Text] The yen's appreciation is speeding up. No doubt, the rate of 94 or 95 yen to the dollar is up way too high, and will become a detriment to the economy's steady recovery. But it will be difficult to change the exchange rate level by having the Bank of Japan intervene in the market only—buying the dollar and selling the yen. We believe it is more essential for both Japan and the United States to take firm actions to address the respective countries' structural problems to resolve the issue.

This time, the yen's climbing trend was started by the instability of the Mexican peso, but then was exacerbated by uneasiness of the dollar. Hence, it must be said

that the immediate cause of the problem is not the yen, but the dollar. It can also be said that the given condition is not the case of the yen being too strong, but the dollar being too weak. As a matter of fact, the yen is rising, being dragged up by the rising German mark. Given the circumstances, the U.S. monetary authorities' intervention in the market to stem the dollar from plunging was an appropriate action.

But we must note that the yen's value had been at an excessive level even before the recent rise began. Basically, the underlying problem is the fact that there has been a steady trend of the yen being too strong. One of the fundamental reasons for this is the slowness and delays by both Japan and the United States to take actions for restructuring themselves.

Japan's trade and current account surpluses can be said to have entered the shrinking stage, but their levels are still high. On top of that, surpluses from the past years have accumulated. Japan does not need to be reminded by the United States that it needs to correct this situation. Japan itself must proceed with and implement its restructuring policy—deregulating rules and building an atmosphere for fair competition. But the government lacks the leadership to do so, while bureaucrats are resisting it.

As for the United States, the country is now very happy about the manufacturing industry regaining its competitiveness, but its fiscal deficit is only shrinking slowly. The constitutional amendment requiring a balanced budget every year sounded like a financial version of setting "numerical targets," and it is only natural that the amendment should have been defeated. But still, the fiscal deficit itself remains too excessive. In the meantime, the country's savings rate has dropped, and the problem of the savings shortage remains as serious as ever. Opposite to the condition facing Japan, the United States' outstanding balance of its net foreign debts is now being snowballed by the current account deficits of the past.

There is no denying that this contrasting macroeconomic condition of Japan and the United States is in the background for the yen being strong and the dollar being weak.

Timely and coordinated intervention in the exchange market by countries concerned may be necessary, but as long as this macroeconomic imbalance condition exists, that action will not be enough to bring about a major change on the exchange market's basic trend.

As a result of the strong yen dragging on for so long, the transfer of the manufacturing industry's production functions overseas is accelerating. That fact alone should not be cause for alarm about the industrial "hollowing out," but if Japan's policy on restructuring remains inadequate, the yen's exaggerated evaluation will only continue and be further prolonged, and healthy manufacturing companies will continue to move out of the

country. And as long as structural restrictions remain, new businesses and new job opportunities to replace them can never be born in enough quantity.

The strong yen condition will then turn into a "vicious strong yen" condition. The prolonged vicious strong yen condition could then start a real hollowing out.

There is no need for anyone to act in excess against a temporary strong yen situation caused by speculative fund investments. Nor must one be insensitive to structural problems.

## Reportage on Effects of Rapidly Rising Yen

### Jiro Saito Comments

OW0603104895 Tokyo KYODO in English 0931 GMT  
6 Mar 95

[FBIS Transcribed Text] Tokyo, March 6 KYODO—Vice Finance Minister Jiro Saito admitted Monday [6 March] that internationally concerted dollar-supporting market intervention has had a limited effect.

Saito said at a press conference, "Amid massive fund flows in the currency market, the intervention hardly produced any conspicuous effects."

In the Tokyo currency market on Monday, after falling to a global record low of 92.70 yen at one point, the dollar changed hands at 93.37-93.42 yen at 5:00 P.M., renewing the previous record low of 93.70 yen marked in New York on Friday.

Saito said, however, "It is significant that currency authorities in Japan, the United States and Europe took cooperative action in unison."

After Finance Minister Masayoshi Takemura held a news conference on foreign exchange rates Friday midnight, Japan, the U.S. and European nations concertedly stepped into foreign exchange markets to support the dollar, Saito said.

It is difficult to recognize the effects of market intervention as it depends on several factors such as market sentiment or mood, Saito said.

Asked about the possibility of cutting the official discount rate to check the yen's appreciation, Saito said, "We need to wait and watch developments for a while because there are speculative moves."

While noting that interest rates are under the exclusive jurisdiction of the Bank of Japan, Saito said that there are various factors, not only foreign exchange rates, to be considered in adjusting interest rates.

### Research Institute Predicts

OW0603121995 Tokyo KYODO in English 1131 GMT  
6 Mar 95

[FBIS Transcribed Text] Tokyo, March 6 KYODO—Just as their profits were starting to recover briskly,

Japanese companies could suffer an earnings relapse at the hands of the resurgent yen, a think tank said Monday [6 March].

The new Japan Securities Research Institute predicted a 20.1 percent profit gain by Japanese companies overall for the fiscal year starting next month as the effects of cost-cutting kick in.

But that scenario could be wrecked and profits could turn downward again if the Japanese currency stays in the range of 90-95 to the dollar, said the think tank affiliated with second-tier brokerage New Japan Securities Co.

The dollar dropped below 96 yen for the first time in the postwar exchange system late last week and plummeted as low as 92.70 yen at one point in Tokyo trading Monday before edging back above the 93 yen line.

A high yen hurts Japan's exporters by pushing up the price of the nation's products in other currencies and slashing the yen value of their overseas earnings.

The think tank forecasts Japanese firms' overall pretax profits will rise 8.4 percent this fiscal year, the first increase in five years, although sales will dip a further 0.8 percent.

But, expecting the yen to recede, many exporters and other companies have put off trying to hedge their fiscal 1995 foreign exchange risks with dollar-forward contracts, said Tadao Horiuchi, general manager of the institute's Industry and Corporate Analysis Department.

As a result, currency movements from April onward "will directly affect management," Horiuchi said.

If the dollar remains in the 90-95 yen range, automakers except for Toyota Motor Corp. are likely to fall into the red and the same could happen to steel, machinery and nonferrous metals makers, the think tank said.

The institute lowered its fiscal 1994 and 1995 forecasts a modest 0.1 percentage point each due to the Jan. 17 great Hanshin earthquake, predicting its effects will be limited to one-time losses.

Fresh demand from quake reconstruction should show an upward push on earnings beginning in fiscal 1996, the think tank said.

#### **Nissan To Cut Work Force**

*OW0603043895 Tokyo KYODO in English 0351 GMT  
6 Mar 95*

[FBIS Transcribed Text] Tokyo, March 6 KYODO—Nissan Motor Co. has worked out a three-year restructuring plan that calls for reducing its workforce by up to 7,000 to deal with the yen's appreciation on the foreign exchange market, company officials said Monday.

Under the plan to take effect next month, the second largest Japanese automaker hopes to cut its total cost by

360 billion yen through reducing the ratio of its labor costs to sales to 8 percent from the present 10 percent, the officials said. Depending on automobile sales in the coming years, however, the personnel cutback plan may be scaled down, the officials said.

To strengthen marketing, Nissan also plans to boost sales personnel at its marketing subsidiaries by 3,000 to a total of 30,000, the officials said.

Nissan, which currently has 49,000 workers, expects about 2,000 workers a year will leave through personnel transfers and loans to affiliates, the officials said. Nissan forecasts a pretax loss of 60 billion yen for the business year ending March 31.

#### **Iranians Ask Quick Installment of Yen Loan**

*OW0603000795 Tokyo KYODO in English 2355 GMT  
5 Mar 95*

[FBIS Transcribed Text] Tehran, March 6 KYODO—The Iranian leaders on Sunday called for Japan's quick installment of its second yen-loan assistance to a hydroelectric plant project in southern Iran.

Iranian President 'Ali Akbar Hashemi-Rafsanjani and Foreign Minister 'Ali Akbar Velayati made the request in separate meetings with Japanese Government envoy Nobuo Matsunaga, Japanese officials said.

In the talks, Matsunaga conveyed the Japanese Government concern over Iran's alleged blocking of the Middle East peace process and involvement in terrorist activities.

In reply, the Iranian president and foreign ministers categorically denied the allegation and said that the completion of the project is very important to bilateral relations, according to the officials.

Japan resumed its yen-loan assistance to Iran in May 1993, lifting an 18-year freeze on such lending to the country. Of the total 230 billion yen cost of Iran's hydroelectric power project in Karun river, Japan has provided 150 billion yen in three installments of low-interest loans.

Japan's second installment of about 45 billion yen, which was expected to be implemented last summer, was delayed due to strong U.S. opposition to such aid.

Washington has been calling on Japan not to extend financial aid to Tehran, saying that Iran is providing support for radical fundamentalists that are blocking the peace process in the Middle East.

Matsunaga was quoted as saying that the Japanese Government will consider the matter based on his talks with the Iranian leaders but added that it will take some more time to make a decision on it.

#### **Tokyo Approves Loan**

*OW0603131895 Tokyo KYODO in English 1216 GMT  
6 Mar 95*

[FBIS Transcribed Text] Tokyo, March 6 KYODO—The government will soon grant the second 45 billion

yen installment of a low-interest loan to Iran to help the country realize a hydroelectric plant project, government sources said Monday [6 March].

Japan's second installment, which was expected to be implemented last summer, was delayed due to strong U.S. opposition.

The decision to give the second installment the green light was made after Iranian President 'Ali Akbar Hashemi-Rafsanjani assured government envoy Nobuo Matsunaga in talks in Tehran that Iran is neither supporting international terrorism nor trying to block the Middle East peace process by sponsoring radical Muslim fundamentalists as alleged by the United States.

Diplomatic efforts will now concentrate on seeking to persuade Washington, which having branded Iran as a terrorist-sponsoring state, remains adamantly opposed to any financial assistance to Tehran.

At a news conference Monday, administrative Vice Foreign Minister Kunihiro Saito said, "installing the loan has not been decided yet, but we cannot put off the decision forever," indicating that a final decision will be made shortly.

Saito said Matsunaga's talks with Rafsanjani and Foreign Minister 'Ali Akbar Velayati had been "meaningful."

Rafsanjani and Velayati in separate meetings with Matsunaga on Sunday had both urged Japan to quickly install the second yen-loan assistance for the plant project in southern Iran.

Matsunaga, a former ambassador to the U.S., had conveyed the Japanese Government's concern over Iran's alleged blocking of the Middle East peace process and involvement in terrorist activities.

In reply, the Iranian president and foreign minister categorically denied the allegation and said the completion of the project is very important to bilateral relations.

Japan resumed its yen-loan assistance to Iran in May 1993, lifting an 18-year freeze on such lending to the country.

Japan has provided 38.6 billion yen in the first installment for Iran's hydroelectric power project in the Karun River.

The second installment will be used mainly to buy machinery for the power plant.

#### **TSE Holding Barings' Margin Money**

*OW0603111595 Tokyo KYODO in English 0953 GMT  
6 Mar 95*

[FBIS Transcribed Text] Tokyo, March 6 KYODO—The Tokyo Stock Exchange (TSE) said Monday [6 March] it has no intention of returning margin money

deposited by bankrupt British brokerage Baring Securities (Japan) Ltd. until losses are accounted for.

Exchange officials made the remark in connection with reports that British regulators may seek the return of margin money deposited by Baring.

Under domestic law, the exchange is not required to return margin money, the officials said.

They said two Japanese brokerages, Nikko Securities Co. and Daiwa Securities Co., have completed liquidation of futures transactions left unsettled by Baring.

The failed British company deposited margin money totaling 51.4 billion yen at the TSE and the Osaka Securities Exchange—18 billion yen in Tokyo and 33.4 billion yen in Osaka.

The officials said the loss suffered by the TSE in liquidating unsettled transactions by Baring amounted to 8.8 billion yen.

Osaka's loss will fall short of Baring's margin money, they said.

Margin money in excess of losses incurred by the two exchanges will be returned to Baring, the officials said.

#### **BSJ Undergoing Special Liquidation Procedures**

*OW0603010495 Tokyo NIHON KEIZAI SHIMBUN in  
Japanese 5 Mar 95 Morning Edition p 1*

[FBIS Translated Text] Fifteen Japanese banks hold approximately 67 billion yen [Y] of nonperforming assets in Baring Securities Japan Ltd. [BSJ], a Japan unit of Barings PLC that recently collapsed from huge losses on derivatives transactions. Barings Securities Japan is now undergoing special liquidation procedures, and the creditor banks are expected to write off about Y50 billion worth of bad loans in the current business settlement term ending 31 March. This will become the largest amortization of loans ever granted to major Western securities houses. Japanese banks will have to reconsider their risk management practices as the Barings incident proved derivatives transactions by one securities house may damage its creditor banks.

Barings PLC, a prominent British merchant bank, virtually went bankrupt in late February from a failure in derivatives transactions in Asia. Barings has now been placed under the control of a bankruptcy administrator who is seeking reconstruction through section-by-section sellouts. In Japan, Barings has been carrying on business with Baring Securities Ltd.'s Tokyo Branch, a subsidiary of Cayman Islands.

The Japanese banks' bad assets, which amount to Y67.66 billion, were all granted to the Tokyo subsidiary in forms of loans on deeds, overdrafts, guarantees, and loans receivable in securities. Sakura Bank, the largest creditor with Y10.53 billion, holds Y5 billion in overdrafts and Y4.53 billion in guarantees. This is followed

by Yasuda Trust and Banking Co. with Y10.0 billion, Sanwa Bank with Y8.5 billion, and other major city banks, long-term credit banks, trust banks, and securities houses' subsidiary banks.

On 2 March, the Finance Ministry notified the Tokyo District Court that the Baring Securities Tokyo Branch's liabilities might have exceeded its assets. Following the report, the court ordered the start of special liquidation procedures, freezing repayments larger than Y500,000 under a preservative order. Banks said: "The bankruptcy does not mean we have lost all credits" (as noted by Sakura Bank), but even the partial collection of credits will be difficult until all liquidation procedures are carried out.

The creditor banks are likely to write off about 50 billion yen of bad assets by withdrawing special bad debt reserves in the quarterly settlement for the January-March term. They will consider liquidating separately the remaining 16.7 billion yen worth of such loans, but they are likely to suffer considerable losses as most loans were granted without collateral. In addition to the Tokyo subsidiary's assets, some banks reportedly have unsettled credit and swaps with the Barings head office in the UK.

Japanese banks said: "It seems credit risks were not very high as Barings was a long-standing and powerful bank" (as noted by a major city bank). However, they stated: "We should reconsider credit risk management of loans granted to those handling derivatives" as the Barings incident clarified that even small amounts of derivative transactions may damage creditors.

#### **Takemura Not Calling for Ad Hoc G-7 Meeting**

*OW0603125295 Tokyo KYODO in English 1205 GMT  
6 Mar 95*

[FBIS Transcribed Text] Tokyo, March 6 KYODO—Finance Minister Masayoshi Takemura, having hinted he would call for a currency meeting of the Group of Seven (G-7) industrialized nations, said Monday [6 March] it would be difficult to call such a session at present.

"Generally speaking, the Group of Seven nations have to agree on a meeting, but practically it is not easy to hold such a session," he told reporters.

He was speaking only hours after he told a House of Councillors meeting he was considering calling for an emergency session of finance ministers and central bankers from the G-7 to discuss the yen's sharp rise against the dollar.

He told the Upper House Budget Committee that coordinated intervention in currency trading by the G-7 is not always effective and he may seek an emergency meeting of the seven countries.

The group consists of Britain, Canada, France, Italy, Germany, Japan and the United States.

Earlier in the day, Takemura told leaders of the government and ruling coalition parties the current foreign exchange turmoil reflects the dollar's slump, not the yen's surge.

In Tokyo trading, the dollar sank at one point to a new global record low of 92.70 yen.

Hinting that Japan's huge current account surplus is responsible for the yen's appreciation, Takemura said fiscal and monetary policies could be effective in calming the yen's rise.

Prime Minister Tomiichi Murayama told the same session the government will promote deregulation to help stabilize the currency market.

The government is to come up with a five-year deregulation program by the end of this month.

#### **'Gist' of KEDO Draft Accord Published**

*OW0603093295 Tokyo KYODO in English 0826 GMT  
6 Mar 95*

[FBIS Transcribed Text] Tokyo, March 6 KYODO—Following is the gist of the Korean Peninsula Energy Development organization (KEDO) draft accord announced by the Foreign Ministry on Monday [6 March]:

- Object: Providing North Korea with two 1-million-kilowatt light-water nuclear reactors of the South Korean standard type, as well as alternative energy.
- Task: Managing and spending funds received from member countries. Closing accords, contracts and other agreements (including loan contracts) with countries and international organizations.
- Principles: The accord is based on the conditions that North Korea observe all the agreements with KEDO and act within the framework of the U.S.-North Korea nuclear agreement. If the conditions are not fulfilled, KEDO will take appropriate steps.
- Status of member countries: The original member countries are Japan, South Korea and the United States. Other countries can become members with the approval of the council.
- Council: Executive authority belongs to the council, which constitutes the original member countries.
- General assembly: The general assembly comprises all member countries and submits recommendations and reports to the council.
- Secretariat: The secretariat is headed by a director general. The director general is appointed by the council, along with two supporting deputy director generals.
- Advisory committees: Advisory committees will be formed for specific projects to advise the council.

—Financing: Member countries provide funds voluntarily.

### Study Shows Rise in Trade with Asia

OW0603004695 Tokyo NIHON KEIZAI SHIMBUN in Japanese 5 Mar 95 Morning Edition p 3

[FBIS Translated Text] Japan's trade with Asian countries has sharply increased, approaching the nation's total trade with Western countries. According to the Finance Ministry's trade statistics (on a customs clearance basis), the total value of Japanese exports to and imports from Asian countries in 1994 rose by 17 percent over the previous year to \$252.2 billion, approaching the total value (\$273 billion) of Japanese trade with the United States and the EU combined. This has occurred because in the backdrop of Japan's high economic growth and the advancement of Japanese-affiliated firms into the Asian markets, Japan's trade with Asian countries has grown at a much faster pace than its trade with Western nations. As a result, Japan's trade with Asian countries may exceed its trade with Western nations in 1995. However, there still exists many countries in Asia where trade rules have not been firmly established. Consequently, Japan may be faced with the task of handling matters appropriately regarding the issue of setting up trade rules at such venues as the Asia-Pacific Economic Cooperation (APEC) forum.

Among items that have shown remarkable growth in Japan's trade with Asian countries are electronic parts (which grew 35.1 percent over the previous year), including semiconductors, and auto parts (26.7 percent growth over the previous year)—in the area of exports—and office equipment (57.8 percent growth)—in the area of imports.

### SRV Investment Barriers Trouble Firms

OW0403142395 Tokyo NIHON KEIZAI SHIMBUN in Japanese 4 Mar 95 Morning Edition p 7

[By Takashi Shinada]

[FBIS Translated Text] Japanese companies are beginning to take a prudent attitude toward investing in Vietnam. Vietnam's administrative procedures are very complicated, and it is quite hard to predict when and based on what conditions the Vietnamese Government issues business permits or licenses. Under such circumstances, Japanese companies are facing difficulties in implementing investments on schedule. They are urging, via the Federation of Economic Organizations of Japan [Keidanren], the Vietnamese Government to improve the situation, but not much action has been taken so far. Some companies say "we may have to move to other countries with inexpensive land prices, such as the deregulation-minded Philippines, if Vietnam takes no action." Several Years To Get Permits [subhead]

On 16 February, a sweater manufacturing company was founded in Ho Chi Minh City. The company, Visoni,

was named after the three firms contributing to the company: The "Vi" was taken from the major state-owned textile product manufacturer, Viet Tien; the "so" came from the Japanese textile company, Soei Textile Industries, Ltd., and the "ni" was taken from the Nissho Iwai Corporation. These two Japanese companies, however, are not capitalizing the new company. A Soei staffer who is in Vietnam as a technical adviser said: "It takes two to three years to obtain permission for a joint venture from the Vietnamese Government. Thus, we started the company by offering a free lease on equipment to the Vietnamese partner."

Foreign companies planning to invest in Vietnam must deal with more than 10 different SRV Government agencies. These agencies' screening and licensing standards are quite unclear, and applicants are often urged to pay excessively for commissions or land leases. Under such circumstances, many Japanese companies choose to process matters using commission contracts rather than through direct investment. Complaints Through Keidanren [subhead]

Time-consuming permission-obtaining procedures are keeping many Japanese companies from doing business in Vietnam. The city of Hanoi is crowded with small and old brick buildings, and it is hard to find large stores there. Last summer, Seiyu, Ltd. announced its plan to open a branch store in Hanoi, which would have made it the first foreign department store in that city. Seiyu first thought that the Hanoi branch store could open within 1994, but "preparatory work is deadlocked due to difficulties in negotiations with many government agencies."

The U.S. Government lifted its long-standing economic sanctions against Vietnam in February 1994, and this caused an investment boom among Japanese companies. Vietnam's cheap labor, high literacy rate, and cultural similarity with Japan once looked very attractive to them. However, they are now hesitating concerning further investment in Vietnam due to that nation's excessively complicated administrative procedures.

Being irritated with the Vietnamese Government's indifferent attitudes toward complaints filed by individual Japanese companies, these firms decided together to make all their demands through the Keidanren. Keidanren Chairman Shoichiro Toyoda and Satoshi Nishio (Nissho Iwai president), Japan-Vietnam Economic Committee chairman, visited Vietnam in late February and urged Vietnamese leaders to comply with the Keidanren's nine-point proposal for lowering investment barriers.

Do Muoi, Communist Party of Vietnam general secretary, is expected to attend the next round of Japanese-Vietnamese business talks set for approximately 20 April in Tokyo. The Keidanren's Toyoda will ask him to take early action to improve the environment for foreign investment. Companies May Review Investment Policies [subhead]

Henel Electronic is a major state-owned enterprise based in Hanoi. Director General Ninh Van Mien, speaking in his small office, which is located on the second floor of the three-story main office building, called for Japan's positive investment in Vietnam, saying, "To develop Vietnam's economy, we are hoping that Japanese companies will assist us with their capital, technology, and management know-how."

The Vietnamese market is still attractive to Japanese companies, but a senior Keidanren official said, "We may have to reconsider the entire investment plan unless Vietnam takes action to remove its investment barriers."

#### **Firms Vie To Export Nuclear Equipment to PRC**

*OW0603092795 Tokyo KYODO in English 0830 GMT  
6 Mar 95*

[FBIS Transcribed Text] Tokyo, March 6 KYODO—Japanese companies are gearing up to win contracts to supply nuclear power equipment to China and other Asian countries, business sources said Monday [6 March].

The Japanese Atomic Energy Commission said in a report in June 1994 that Japan could supply nuclear power equipment to Asian countries and developing countries in other regions.

European and U.S. companies are intent on winning orders for similar equipment from the countries, the sources said. And some Japanese companies are also considering joining the international competition to export such equipment, the sources said.

China, which already owns a nuclear power reactor for commercial use, is the largest market for nuclear power equipment in Asia.

In May 1994, Beijing called for the nation's nuclear power generation to reach 350 million kilowatts in 2050, and the United States, Canada and France are making intensive efforts to sell nuclear power equipment to China.

Indonesia is another major market for nuclear power equipment, the sources said.

The country has forecast that its electric power consumption early in the 21st century will quadruple from the present 33.2 billion kilowatt-hours.

Present plans call for the start-up of the country's first nuclear power reactor in 2004 and for boosting its nuclear power capacity to a range of 7-8 million kilowatts in 2019.

The first bidding for the reactor is likely to be held within this year, the sources said.

Two U.S.-Japan Business Consortia have proposed supplying nuclear power equipment to Indonesia, the sources said.

One group comprises Westinghouse Electric Corp. and Mitsubishi Heavy Industries Ltd., while the other combines General Electric Co., Hitachi Ltd. and Toshiba Corp.

#### **PRC To Ease Cement Export Rules for Firms**

*OW0603122495 Tokyo KYODO in English 1124 GMT  
6 Mar 95*

[FBIS Transcribed Text] Tokyo, March 6 KYODO—China has told Japanese companies that it will ease controls on cement exports from China, informed sources said Monday [6 March].

China sent the notice to Chichibu Onoda Cement Corp., Mitsubishi Materials Corp. and trading houses in late February, the sources said.

The Chinese control requires exporters of cement and other specific products to secure export quotas through bidding and pay for them. As a result of last year's bidding, charges for cement export quotas have been set at 25 yuan (about 300 yen) per ton.

According to the notice, the Chinese Government will return 80 percent, or 20 yuan, of the 25 yuan to exporters, starting with exports this month, the sources said.

Chichibu and Mitsubishi officials moderately welcomed the Chinese decision, saying that although their calls for removing cement from the bidding system have not been met, the eased application of the requirement will substantially curb cost increases resulting from the introduction of the system.

Chichibu has been producing cement in China since 1992. Mitsubishi will begin production there in May. They have strongly opposed the bidding system as they want to avoid an increase in export costs.

#### **KDD, Sumitomo To Bid on Mongolia Venture**

*OW0603052095 Tokyo NIHON KEIZAI SHIMBUN in  
Japanese 4 Mar 95 Evening Edition p 1*

[FBIS Translated Text] Kokusai Denshin Denwa Co. (KDD) and Sumitomo Corporation will tender for a mobile telecommunications project in Mongolia in partnership with a Mongolian company. As the city telecommunications network has not been improved in Mongolia, the Mongolian Government has been promoting a program to foster mobile telecommunications service companies. KDD and its partners hope to commercialize mobile phone service in Ulaanbaatar, the capital of Mongolia, in 1996, as a first step toward making advances into the Asian markets, including China, which are expected to grow rapidly.

KDD and Sumitomo Corp. plan to set up a consortium with Newcom [name as published], a Mongolian telecommunications consulting company (located in Ulaanbaatar) to participate in the tender.

They have already submitted an outline for the project to the Mongolian Government. After a qualification screening, they are scheduled to submit a tender to the Mongolian Government by mid-April. A successful bidder is expected to be named in mid-May.

Besides the KDD-Sumitomo team, five groups from Italy, Belgium, and other countries have indicated their intention to submit their bids for the Mongolian mobile telecommunications project. Since KDD and Sumitomo Corp. have experience in jointly cooperating with Mongolia's project of building international telecommunication facilities, they are considered to most likely win the tender.

If their tender is accepted, they will set up a joint venture capitalized at 700 million yen to launch a mobile phone service business. KDD and Sumitomo Corp. are expected to provide 43 percent of the capital, and Newcom 14 percent.

Although Mongolia Telecommunications Corporation (MTC) is providing domestic and international telecommunications service in Mongolia, the country has lagged behind in the improvement of its telecommunications infrastructure. For this reason, the government has promoted a project to newly issue a license for mobile phone service as an effective measure to improve the insufficient city telecommunications network. Over the past several years, as many foreign companies dealing with textiles and daily necessities have begun doing business there, demand for mobile phone business is expected to expand.

#### **Record 29,111 Foreign-Made Autos Sold in Feb**

*OW0603044095 Tokyo KYODO in English 0417 GMT  
6 Mar 95*

[FBIS Transcribed Text] Tokyo, Mar. 6 KYODO—Japan sold a record 29,111 foreign-made motor vehicles in February, an all-time high for any single month's sales, the Japan Automobile Importers Association said Monday.

The February figure represented a 63.4 percent leap from a year earlier, the association said. February was the 16th consecutive month in which sales of imported cars, trucks and buses witnessed an year-on-year increase, it said.

Sales of imported passenger cars jumped 64.8 percent to 26,520, with those of subcompact models increasing 41.0 percent to 8,133 and sales of larger models growing 78.1 percent to 18,387.

Sales of imported trucks went up 50.5 percent to 2,589, with small-size truck sales rising 37.0 percent to 1,598 and those of larger trucks rising 78.9 percent to 991. The number of imported buses sold in the month remained unchanged from a year before at two.

Sales of vehicles imported from the United States, including those made by U.S. subsidiaries of Japanese

automakers, surged 94.9 percent to 8,403, with the "Big Three" automakers of Detroit accounting for some 37 percent of the figure, it said.

General Motor Corp. sold a total of 692 automobiles, such as Cadillacs and Buicks, up 2.8 percent, Ford Motor Co. 1,228, up 72.0 percent, and Chrysler Corp. 1,146, up 4.8 percent. Honda Motor Corp. imported 4,193 motor vehicles made by its U.S. unit, while Toyota Motor Corp. imported 1,131 made by its U.S. unit, it added.

#### **Murayama To Propose Forum on Disasters**

*OW0603143195 Tokyo KYODO in English 1354 GMT  
6 Mar 95*

[FBIS Transcribed Text] Tokyo, March 6 KYODO—Prime Minister Tomiichi Murayama will propose that Japan hold an international conference on disasters at a U.N.-sponsored summit later in the week, but it is uncertain whether the proposal will be supported by other participants, government sources said Monday [6 March].

Murayama will make a speech Saturday in Copenhagen at the World Summit for Social Development.

In the speech, he will express Japan's gratitude for international support and aid for the victims of the Jan. 17 earthquake and will call for the holding of an international forum to discuss disasters, the sources said.

Murayama's aides said the forum is aimed at "gathering all the wisdom" in dealing with disasters, but the sources said Japan has done almost no diplomatic negotiating to lay the groundwork for the forum idea.

Murayama hopes to hold the forum either in Kobe, which was most severely hit by the quake, or in Osaka, to discuss how to promote global relief operations following disasters.

He initially called for holding a "summit" to discuss the matter when he revealed the idea at the end of last month but soon revised the proposal to a forum after being told that a summit would be extremely difficult.

He also said Sunday at a press conference that he wishes "at least a ministerial-level meeting of Asian countries" can be held.

#### **1995 Budget Enactment Likely Before 20 Mar**

*OW0303141995 Tokyo KYODO in English 0853 GMT  
3 Mar 95*

[FBIS Transcribed Text] Tokyo, March 3 KYODO—The House of Councillors is likely to pass 70.99 trillion yen fiscal 1995 budget bills into law before March 20, a Social Democratic Party (SDP) [SDPJ—Social Democratic Party of Japan] leader said Friday [3 March].

"I think (the budget) will be approved at the upper house earlier than March 20," Wataru Kubo, secretary general of Prime Minister Tomiichi Murayama's SDP, told a press conference.

Kubo also dismissed the possibility of an extension of the current Diet session ending June 18, noting a tight political schedule including the Group of Seven (G-7) summit meeting in Canada in June and an upper house election in July.

Kubo is the No. 2 man of the SDP, which forms a tripartite coalition government with the Liberal Democratic Party and New Party Sakigake.

#### **Komeito Supports Ishihara for Tokyo Governor**

*OW0503094495 Tokyo KYODO in English 0825 GMT 5 Mar 95*

[FBIS Transcribed Text] Tokyo, March 5 KYODO—Leaders of Komei [Clean Government] Party's Tokyo chapter Sunday [5 March] threw their unanimous support behind former Deputy Chief Cabinet Secretary Nobuo Ishihara in next month's Tokyo gubernatorial election, party officials said.

Party representative Tomio Fujii is expected to inform Ishihara of the party's decision Monday after gaining the recognition of the Komei Headquarters. Ishihara has already received the backing of the Liberal Democratic Party and the Social Democratic Party.

With Komei's support for Ishihara, Shinshinto (New Frontier Party) faces a difficult choice whether it will back former Labor Minister Kunio Hatoyama for election. Hatoyama has not announced his candidacy for the race.

Komei's Tokyo chapter head Tatsujiro Hashimoto said, "We are on friendly terms with Shinshinto, but as an independent party, we make our decisions independently."

At Sunday's party officials meeting, Fujii stressed that Ishihara supports the recent decision of Tokyo Metropolitan Assembly committees to freeze a 30 billion yen rescue loan to two credit unions, which went virtually bankrupt due to extensive nonperforming loans.

Ishihara also accepted the policy backed by six parties of the assembly, excluding the Japanese Communist Party.

Ishihara served as deputy chief of staff for seven prime ministers until late last month.

Komei is a party of local assembly members who belonged to the now defunct Komeito. Most Komeito members in the Diet joined Shinshinto late last year.

Komei is one of the five ruling parties in the Tokyo Metropolitan Assembly backing incumbent Gov. Shunichi Suzuki.

#### **Hatoyama Not Running for Tokyo Governor**

*OW0603150395 Tokyo KYODO in English 1417 GMT 6 Mar 95*

[FBIS Transcribed Text] Tokyo, March 6 KYODO—Former Labor Minister Kunio Hatoyama, a lawmaker

from Shinshinto (New Frontier Party), on Monday [6 March] gave up his candidacy for the Tokyo gubernatorial election in April, party officials said.

Hatoyama, 46, who has also served as education minister, conveyed his decision to a top party leader.

He had indicated his election bid but made the decision one day after leaders of the Komei party's Tokyo chapter threw their support behind Former Deputy Chief Cabinet Secretary Nobuo Ishihara in the election.

Ishihara, 68, has already received the backing of the Liberal Democratic Party and the Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ], ruling coalition partners in the government of Prime Minister Tomiichi Murayama.

Shinshinto, the largest opposition in the Diet, has said it will not support Ishihara.

Komei and Shinshinto are two of the six ruling parties in the Tokyo Metropolitan Assembly backing incumbent Gov. Shunichi Suzuki.

Saburo Kuroki, 73, professor emeritus of Waseda University, who is backed by the Japanese Communist Party, and Tetsundo Iwakuni, 58, former mayor of the city of Izumo on the Sea of Japan coast, have also declared their candidacy for the race.

Also in the running are Kenichi Ohmae, 52, a former management consultant, Tetsu Ueda, 67, a former legislator of the SDP, and Yukio Aoshima, 62, a member of the House of Councillors.

#### **NFP Offensive Healing Ruling Parties' Rift**

*OW0603015195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 5 Mar 95 Morning Edition p 2*

[Unattributed article: "Attacks on Takemura from LDP, SDPJ cease; Parties Alarmed by NFP's Pursuit of '2 Credit Associations' Issue"]

[FBIS Translated Text] Voices of complaint that used to pour out from members of the Liberal Democratic Party [LDP] and Social Democratic Party of Japan [SDPJ] about Finance Minister (and head of New Party Sakigake [Harbinger]) Masayoshi Takemura, during the debate on the special corporations issue, are apparently now quietening. With the New Frontier Party [NFP] pushing to accuse Takemura of responsibility for the issue of relief-financing for two credit associations—Tokyo Kyowa and Anzen—the two parties have decided they must put priority on stabilizing the Murayama government by patching up the rift within the ruling camp.

However, there remains the possibility that "Takemura-bashing" will resume when debate on the consolidation and closure of state-run banking institutions begins. The debate will go into top gear toward the end of the fiscal year. The whole thing is, however, complicated by the

parties' interest in the "post-Murayama" political leadership. The seed of trouble for intra-camp confrontation remains.

What started the fire of complaints about Takemura and his party was the debate in early February over the reform of special corporations. The LDP, Sakigake, and the Finance Ministry all had their own plans on the reform. With competing plans, strong voices of complaint began to emerge in the LDP saying: "Takemura has two versions—one as finance minister and the other as head of Sakigake" (according to a senior LDP official). Complaints grew when Sakigake decided to support NFP dietmember Masayasu Kitagawa in the Mie Prefecture governor's election.

Given such circumstances, when the NFP began asking about responsibility for the two credit associations' problem, initially the LDP did not come to the finance minister's defense, and some cabinet ministers did not hesitate to openly bad-mouth the Ministry of Finance. For the NFP, which since its inauguration last year has not had a good chance to attack the government, this was an opportunity. According to a senior NFP party official: "If the NFP keeps on pounding at the finance minister about his supervisory responsibility, it could start the process of weakening the Murayama government." Consequently, an all-out attack on Takemura started in sessions of both houses' budget committees and elsewhere.

But the LDP and SDPJ became alarmed when, during deliberations on the two credit associations' problem in the Tokyo City Assembly, the Komei Party declared opposition to Tokyo City's supplemental budget bill that contained relief-financing measures. That drove a senior SDPJ official to think: "Unless complaints from within the ruling camp are put aside for the time being, this could develop into a government crisis." Subsequently, the parties changed positions to defend the finance minister. Members of the two parties then started to focus putting blame for the credit associations' problem on the preceding government, for instance, Home Affairs Minister Hiromu Nonaka said: "If the preceding government had taken appropriate action, the matter would not have become so serious." Their attitude now was: "We have done enough Takemura-bashing."

Of course, the parties' own interests are delicately intertwined. As far as the LDP is concerned, if the rift within the government widens further, there is the possibility of chaos spreading into the parties at a time when there are so many differences on the post-Murayama leadership among old faction members and different generations. As for the SDPJ, there is apprehension among those supporting Murayama that, "if we drive the finance minister into a tight corner now, it may end up narrowing our strategy alternatives for future political reorganization."

Meanwhile, Sakigake, which now finds itself defended by both the LDP and SDPJ, is talking about cooperation

with the two parties on the issue of reforming state-run banking institutions. A senior party official said: "This time we will have close contact with the finance minister, and take cautious action." But, it is now a "reform-oriented party" with a damaged image. In the course of dealing with the reform of special corporations, the party faced the humiliation of hearing even its own supporters cry out harsh voices of disappointment. As such, it will want to regain its image. At present, discussions led by the LDP on the reform of banking institutions are proceeding. But it is possible that friction will emerge once again within the ruling camp when the finance minister begins to make a move.

### **LDP Adopts Nickname in Bid To Renew Image**

*OW0503055695 Tokyo KYODO in English 0541 GMT  
5 Mar 95*

[FBIS Transcribed Text] Tokyo, March 5 KYODO—Main member of Japan's ruling coalition, the Liberal Democratic Party (LDP) announced Sunday [5 March] it has adopted "JF" as the party's nickname in an effort to renew its image and increase its popularity.

LDP Secretary General Yoshiro Mori told reporters of the plan prior to the start of the party convention marking the 40th anniversary of its founding in 1955, and said the LDP decided to adopt the nickname to get rid of its "old, out of date" image.

According to the LDP, "JF" can be interpreted in various ways, such as "Japan Family," "Jump Fresh," or "Justice, Freedom."

Mori also announced that together with the nickname, the LDP will also start using a new symbol mark, two people under a sun, replacing its elephant mascot.

Recently in Japan there has been a trend to abbreviate names which start with J, with the very popular Japanese professional soccer league, for example, becoming J. League, and Japan Tobacco commonly shortened to JT.

### **LDP Convention Opens, Formulates Basic Policy**

*OW0503013395 Tokyo KYODO in English 0120 GMT  
5 Mar 95*

[FBIS Transcribed Text] Tokyo, March 5 KYODO—Main member of Japan's ruling coalition, the Liberal Democratic Party (LDP) on Sunday [5 March] began a party convention to adopt a new declaration of basic policy that waters down the party's long-time call to revise the Constitution.

The 59th convention, the first since the party linked arms last June with its ideological archrival, the Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ], to form the three-party coalition government, will also adopt new action guidelines for 1995, party officials said.

Prime Minister and SDP Chairman Tomiichi Murayama attended the convention's opening session, becoming the first SDP chief to participate in such a meeting.

Since its formation in 1955, the LDP has advocated an "independent constitution" for Japan, arguing that the country's 1946 Constitution was imposed by U.S. occupation authorities after World War II.

However, a new draft declaration adopted by the party's executive council in December tones down its stance on the issue, saying the party will hold a dialogue with the people to decide the broad scope of a constitution for modern Japan.

At the convention the party will also formally approve LDP candidates for the next general elections, which will be contested under a new electoral system combining 300 single-seat districts and 200 constituencies with proportional representation.

The convention will give the seal of approval to 165 official candidates for the single-seat constituencies and to 14 for the proportional representation ones, the officials said.

The LDP originally planned to hold a convention on Jan. 19 but postponed it to concentrate on relief measures for the victims of the Jan. 17 earthquake which laid havoc to the major port city of Kobe and its surroundings, killing more than 5,400 people.

In his address to the convention, Murayama said that he will tackle all problems with his full energy as long as the LDP [Liberal Democratic Party] supports his administration, showing his resolution to keep the current government intact.

He also expressed hopes of acquiring the trust of Asia and the world through the Diet's adoption of a resolution renouncing war.

The three parties making up the coalition—the SDP [Social Democratic Party of Japan—SDPJ], the LDP and New Party Sakigake [Harbinger]—have agreed to make a Diet resolution to commemorate the 50th anniversary of the end of World War II.

But they remain at loggerheads over what the resolution should say, and the LDP parliamentarians' group has voiced opposition to it.

LDP President Yohei Kono, concurrently deputy premier and foreign minister, said "making the serious decision (to form a coalition with the SDP) was in order to put the chaotic political situation back on track," and doing so is the primary responsibility of the LDP, the largest single party in the Diet.

He said the current administration is realizing its initial targets, which include finding a breakthrough in strained relations with the United States and enacting the fiscal 1995 budget by the end of the current fiscal year which ends March 31.

### LDP Pledges Election Victory

OW0503053995 Tokyo KYODO in English 0521 GMT  
5 Mar 95

[FBIS Transcribed Text] Tokyo, March 5 KYODO—The largest party in Japan's ruling coalition, the Liberal Democratic Party (LDP) pledged Sunday [5 March] it will regain a majority at the next general elections, and it adopted a new policy declaration toning down its long-time tenet on revising the Constitution.

Addressing the party's 59th convention, LDP President Yohei Kono, concurrently deputy premier and foreign minister, said "(the LDP) has been tackling party reform (such as dismembering factions) since it lost power. (the convention) is a historical meeting for the LDP to be reborn as a party to take power in a new era."

Kono said the party will seek a majority in the next election for the House of Representatives.

The LDP suffered a serious setback in the last lower house elections in July 1993. Its ouster from a decades-long reign paved the way for a coalition era in Japanese politics.

Prime Minister Tomiichi Murayama, chief of the LDP's long-time foe, but now coalition partner, the Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ], attended the opening session, becoming the first SDP chairman to participate in such a meeting.

In an speech, Murayama expressed his resolution to keep the current coalition intact, saying that he will tackle all issues with his full energy as long as the LDP supports his administration.

He also expressed hopes of acquiring the trust of Asia and the world through the Diet's adoption of a resolution renouncing war.

The three parties making up the coalition—the SDP, the LDP and new Party Sakigake [Harbinger]—have agreed to make a Diet resolution to commemorate the 50th anniversary of the end of World War II.

But they remain at loggerheads over what the resolution should say, and the LDP parliamentarians' group has voiced opposition to it.

"The three (ruling) parties are engaged in transparent and democratic (politics) through sincere discussion to forge agreement," Murayama said.

The premier said he hopes a tie-up can be created between the three coalition blocs to prepare for the general elections, which could be held as early as this year although the term of the lower house members expires in 1997.

Kono said that the current administration is realizing its initial targets, which include finding a breakthrough in

strained relations with the United States and enacting the fiscal 1995 budget by the end of the current fiscal year which ends March 31.

The LDP and the SDP made a surprise tie-up in June last year along with Sakigake, an LDP splinter group, to form Japan's current ruling coalition.

At its convention, the LDP adopted a basic policy declaration, which waters down its stance on the Constitution and says that the party will hold dialogue with the people to decide the broad scope of a constitution for modern Japan.

Since its formation in 1955, the LDP has advocated an "independent constitution" for Japan, arguing that the country's 1946 Constitution was made under the instructions of U.S. occupation authorities after World War II.

At the session which marks the 40th anniversary of its birth, the party also adopted an action program for 1995, which seeks to beef up ties with labor unions.

The LDP also formally approved LDP candidates for the next general elections, which will be contested under a new electoral system combining 300 single-seat districts and 200 constituencies with proportional representation.

The convention gave the seal of approval to 165 official candidates for the single-seat constituencies and to 14 for the proportional representation ones, the officials said.

The LDP originally planned to hold a convention on Jan. 19 but postponed it to concentrate on relief measures for the victims of the Jan. 17 earthquake which wreaked havoc to the major port city of Kobe and its surroundings, killing more than 5,400 people.

#### **Banks Clearing Out Bad Loans From 1980's**

*OW0603143595 Tokyo KYODO in English 1304 GMT 6 Mar 95*

[FBIS Transcribed Text] Tokyo, March 6 KYODO—Japan's 21 major banks are clearing the peak in writing off the bad loans left from the 1980's "bubble" years, a senior Finance Ministry official said Monday [6 March].

"In their March book closings, bad loan disposal will exceed 50 percent of the total," said Yoshimasa Nishimura, director general of the ministry's banking bureau.

They will still have a disclosed total of 4 trillion yen, but "that is not an unmanageable amount," Nishimura said in a speech at the Japan Press Center.

As of the end of September, the 21 "city," long-term credit and trust banks reported 13.33 trillion yen in loans to bankrupt borrowers or those at least six months in arrears.

Some 7.41 trillion yen worth of bad loans will be left after banks use reserves or collateral on the loans, Nishimura said. Of that remainder, about 40 percent can

be disposed of by selling collateral at a discount, leaving about 4 trillion yen, he explained.

The banks "are reaching that target" in time for this month's year-end book closings, said Nishimura, the official in charge of supervising the nation's banks.

Analysts suspect a total several times the disclosed amount for loans on which banks have forgiven interest or principal payments.

Nishimura expressed concern for financial institutions below the first tier of banks, saying they must act quickly to dispose of their bad loans.

He indicated a revision of an existing 10-year plan to restructure the debt-strapped "juken" housing loan companies, saying it would be a "problem" for their bad loans to stretch into the 21st century.

Nishimura also indicated lowering the local government burden in rescuing two bankrupt credit unions following the Tokyo Metropolitan Assembly's move last week to put off approval of 30 billion yen in low-interest loans as part of a Bank of Japan-led rescue of Tokyo Kyowa Credit Association and Anzen Credit Bank.

#### **MOF Studies Rescue of Credit Unions**

*OW0503040795 Tokyo KYODO in English 0244 GMT 5 Mar 95*

[FBIS Transcribed Text] Tokyo, March 5 KYODO—The Ministry of Finance [MOF] is studying the possibility of exceptionally allowing banks to set up subsidiaries in order to salvage financially beleaguered credit unions, the Tokyo SHIMBUN newspaper said Sunday [5 March].

The daily, quoting government sources, said the ministry is considering the step because the Tokyo Metropolitan Assembly's freeze on its funding for two troubled credit unions—Tokyo Kyowa Credit Association and ANzen Credit bank—put a rescue scheme for them into doubt.

The controversial scheme, crafted by the ministry, the Bank of Japan and the Tokyo Metropolitan Government, called for the metropolitan government to extend 30 billion yen in low-interest loans to help bail out the two credit unions.

Currently, the Antimonopoly Law in principle prohibits banks from establishing subsidiaries other than those for securities and trust businesses which were allowed as a part of the April 1993 financial reform.

The Finance Ministry is now looking into the possibility of introducing an ordinance to permit banks to form units specially designed for the bailout of troubled financial institutions, according to the newspaper.

The sources were quoted as saying the current ways of salvaging debt-ridden institutions by mergers make it difficult for rescue banks to fix their costs involved

because the deposits and loans of troubled institutions are absorbed into those of rescue banks.

Meanwhile, the scheme, as planned by the ministry, makes it possible for banks to specify bailout costs as it requires troubled financial institutions to liquidate their nonperforming assets by using their own capital, the daily said.

The Finance Ministry intends to apply the scheme for the rescue of housing finance companies which remain mired in debts due to the burst of the "bubble economy" of the late 1980s, it said.

#### **Credit Federation May Provide Bailout Shortfall**

*OW0603064995 Tokyo KYODO in English 0606 GMT 6 Mar 95*

[FBIS Transcribed Text] Tokyo, March 6 KYODO—The National Federation of Credit Cooperatives may put up 30 billion yen to make up for the Tokyo Metropolitan Government's provisional pullout from a bailout of two credit unions, Finance Minister Masayoshi Takemura hinted Monday.

Takemura was answering a question at the House of Councillors Budget Committee on the impact of last week's decision by two committees of the Tokyo Metropolitan Assembly to put on hold a plan to lend 30 billion yen to help a special bank that will on March 20 absorb Tokyo Kyowa Credit Association and Anzen Credit Bank.

The assembly committees' decision "may cause funds to fall short," Takemura said. "As for the portion (of the funds shortfall), a proposal is under consideration to deal with it by having the National Federation of Credit Cooperatives extend an emergency loan," he said.

Bank of Japan (BOJ) Governor Yasuo Matsushita told the parliamentary panel that the Tokyo assembly committees' decision to postpone the final decision on the proposed loan will not cause the collapse of the bailout. "We would like to press ahead with preparations in accordance with the original schedule," the central bank governor said.

The assembly committees' decision to leave the matter to the new governor to be picked in an election April 9 has raised concern that the bailout may collapse.

Yoshimasa Nishimura, head of the Finance Ministry's banking bureau, told the committee that the boards of directors at "more than half" of private financial institutions the ministry has asked to join the rescue have approved plans to contribute to the scheme.

Tokyo Kyodou Bank was set up January 13 as a special bank to take over the operations of the two credit unions, which have huge amounts of nonperforming loans.

#### **Kaifu Opposes Plan To Bail Out Credit Unions**

*OW0403112295 Tokyo KYODO in English 1026 GMT 4 Mar 95*

[FBIS Transcribed Text] Koriyama, Japan, March 4 KYODO—Opposition leader and former Prime Minister Toshiki Kaifu expressed objection Saturday [4 March] to a government plan to bail out two bankrupt Tokyo credit unions.

Kaifu, head of Shinshinto (New Frontier Party), Japan's main opposition party, told a news conference in this northern Japanese city he opposed Finance Minister Masayoshi Takemura's policy change on the issue.

Under the rescue plan, Tokyo Kyodou Bank, a new bank, was set up in January to take over operations and debts of the two credit unions—Tokyo Kyowa Credit Association and Anzen Credit Bank.

Kaifu, quoting Takemura as saying he initially intended to let the credit unions go bankrupt, said he agreed with this approach.

The bailout plan hit a major snag when the Tokyo metropolitan assembly rejected a proposal to earmark 30 billion yen in an extra budget for low-interest loans to the two failed credit unions.

#### **Takeshita Denies Involvement in Bailout**

*OW0603130295 Tokyo KYODO in English 1159 GMT 6 Mar 95*

[FBIS Transcribed Text] Tokyo, March 6 KYODO—Former Prime Minister Noboru Takeshita has denied being involved in the much-criticized government plan to save two financially troubled credit unions, according to a monthly magazine.

In an article in the April issue of BUNGEI SHUNJU, which will hit the news stands Friday, Takeshita admits he has been meeting Finance Minister Masayoshi Takemura and former Bank of Japan Governor Yasushi Mieno twice or so every year for the last five or six years.

Takeshita, however, says topics at the meetings, hosted by Yoshitaka Yotsumoto, president of a Tokyo construction company and a director of one of the credit unions, are mostly zen, philosophy and so forth, stressing that hot political issues are not discussed.

He categorically denies his reported involvement in the plan to establish a rescue bank to bail out Tokyo Kyowa Credit Association and Anzen Credit Bank, both shackled by huge amounts of bad loans.

Such media reports have no ground whatsoever, he says, adding, "there is no room for my involvement."

Some weekly magazines have reported that Takeshita pulled the strings from behind the scenes of the government's plan to establish Tokyo KYODO Bank to take over the two faltering credit unions.

The plan to use public funds to bail out the two credit unions, which tumbled due to lax management, has drawn fire from the media and opposition parties for suspected links between the former managements of the credit companies, politicians and high-ranking government officials.

Meanwhile, at a House of Councillors Budget Committee Takemura denied meeting in December with Takeshita and Yotsumoto over the rescue package.

"No such meeting took place, nor have I talked with them over the telephone about the issue," Takemura said.

Takemura, however, admitted he has been regularly meeting Takeshita, Mieno and Yotsumoto, one of the Anzen directors, since he took office in June last year.

Takemura said he has known Yotsumoto since he was the governor of Shiga Prefecture, saying he is a master of zen and has advised many prime ministers.

But "I have never received requests from him concerning work," he said.

#### **Ministry To Allow Foreign Crews on Ships**

*OW0603094495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Mar 95 Morning Edition p 3*

[FBIS Translated Text] The Transportation Ministry has firmed up a plan to establish a new registry system as early as fiscal 1996 to deal with the "hollowing-out of overseas shipping"—decreasing number of oceanliners (ship carrying trade goods) under the Japanese flag and Japanese sailors. Under the new system, regulations including one that prohibits the shipping companies from employing foreign crew members will be eased. Therefore, the ministry will allow shipping companies to hire foreign crew members whose labor cost is low. In addition, the ministry will introduce preferential tax treatment, such as reduction in the property tax imposed on ships so that it will be easier for the shipping companies to have Japanese-registered ships. Meanwhile, to deal with the increasing number of foreign crew members, the ministry will take measures to have the companies continue employing a certain number of Japanese crew members.

What the Transport Ministry will establish is the "International Shipping Registry System." It will introduce the new system with the aim of reducing the cost for possessing Japanese-registered ships to the level of that of foreign-registered vessels. A similar system has been adopted in the UK and Sweden. With the yen's appreciation in the background, shipping companies have increased their foreign-registered ships with low-cost foreign crews. To deal with such a trend, the ministry has determined that "the trend may leave Japan with a shortage of oceangoing transportation during national emergencies." The ministry plans to include the new system in its budget request for fiscal 1996 and tax reform proposal.

So far, the Transport Ministry has instructed the shipping companies to employ Japanese crew members in principle in terms of securing job opportunities for Japanese crew members. For that reason, among the shipping companies, moves toward changing their Japanese-registered ships to foreign-registered ones have gained momentum. At present, foreign-registered ships account for 80 percent of the total number of ships operated by Japanese shipping companies.

#### **DA To Cut Frontline Weaponry, Ground Forces**

*OW0403113695 Tokyo KYODO in English 1112 GMT 4 Mar 95*

[FBIS Transcribed Text] Tokyo, March 4 KYODO—Japan will slash its military machine, the Self-Defense Forces, by 20 percent in both front-line hardware and the number of ground troops, in response to rapid changes in the global military climate in the post-Cold War period, Defense Agency [DA] sources said Saturday [4 March].

Defense Agency Director General Tokuichiro Tamazawa agreed to the drastic curtailment of defense strength on the condition that priority-setting reviews for buildups and cutbacks be continued, the sources said.

The reductions will be spelled out in the new version of the 1976 national defense program outline, which has been Japan's basic defense policy platform in the past nearly two decades, and in a new medium-term defense buildup program.

The Defense Agency wants Tamazawa to bring along the new outline when he visits the United States in May to present its basic ideas to U.S. officials, the sources said.

The cutback plan comes in line with a recommendation by a government advisory panel on Japan's new defense policy submitted to Prime Minister Tomiichi Murayama last August.

It called for the restructuring of Japan's defenses to create a leaner, mobile force capable of anticipating and repelling a threat as a more integrated defense in keeping with changes in the geopolitical situation.

The 1976 document said Japan should build up its own military strength to repel a small-scale invasion and to enhance its alliance with the U.S.

It called for a maximum front-line strength of 180,000 troops in the Ground, 16 submarines and 650 aircraft in the Maritime and Air Self-Defense Forces [MSDF—ASDF].

Under the new outline, the maximum number of ground troops should be reduced to 144,000, slightly less than the current actual figure of 150,000, while submarines and aircraft will be cut to around 13 and 520, respectively.

The numbers of troops for the MSDF and ASDF will remain unchanged at 46,000 and 47,000.

The medium-term buildup plan will also be subject to the ax.

In the new buildup program, procurements of tanks and F-1 support fighters, for instance, will be cut by about 20 percent from their respective strengths of 108 and 29, as sought in the current five-year program through the end of fiscal 1995, which starts in April 1995.

#### **FTC Filing Bid-Rigging Charge Against Firms**

*OW0603042495 Tokyo KYODO in English 0409 GMT 6 Mar 95*

[FBIS Transcribed Text] Tokyo, March 6 KYODO—The Fair Trade Commission (FTC) will file a complaint with prosecutors Monday afternoon against nine electrical companies over suspected bid-rigging for sewage projects of the Japan Sewage Works Agency, investigative sources said.

The FTC held consultations with prosecutors on final procedures for the complaint, which will cite the nine for infringements of the Antimonopoly Law, the sources said.

Among the nine are five major electrical firms—Hitachi Ltd., Toshiba Corp., Mitsubishi Electric Corp., Fuji Electric Co., and Meidensha Corp. The other four are Yaskawa Electric Corp., Nissin Electric Co., Shinko Electric Co., and Takaoka Electric mfg. Co., all medium-sized companies. This is the third criminal complaint to be filed by the FTC since 1990, when it started taking tough action against bid-rigging.

The nine firms are suspected of setting bid prices in talks they held at the beginning of each fiscal year since fiscal 1990 before submitting tenders for most of the agency's sewage projects.

The Japan Sewage Works Agency, a special corporation supervised by the Construction Ministry, awards local government public works contracts for sewage facilities and also played a role in the alleged bid-rigging, the sources said.

But as the Antimonopoly Law does not have provisions for punishing authorities which place orders for public projects, no criminal complaint will be filed against the agency, the sources said.

The YOMIURI SHIMBUN, a nationally circulated daily, said Monday that a senior official of the agency asked executives of the five leading electrical firms to rig bids on public works projects in violation of the law. The FTC reportedly has obtained the official's memoranda of meetings with the executives at which he made the requests, the YOMIURI said in a front-page article. Another leading daily, the MAINICHI SHIMBUN, said the agency started the bid-rigging in April 1989 with the nine firms to prevent politicians from intervening in awarding sewage projects.

#### **North Korea**

#### **Exercises of 'U.S. Imperialist Warmaniacs' Noted**

*SK0603101695 Pyongyang KCNA in English 1008 GMT 6 Mar 95*

[“War Exercises Against North”—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 6 (KCNA)—The U.S. imperialist warmaniacs and the South Korean puppets committed war exercises against the North in the skies above Anmyon Islet, Wonju and Kunwi, South Korea, on March 3 and 4, according to military sources.

Involved in the maneuvers were more than 20 commanding aircraft, refueling tankers, carrier-based assault planes, electronic jamming planes from overseas bases and about 560 fighter planes of various types belonging to the U.S. Seventh Air Force and the puppet air force.

On the fourth of March, a group of heavy tanks of the puppet army fired some 30 shells and armored vehicles of the puppet army fired machinegun bullets with the backing of helicopter gunboats in Phaju County.

Earlier, on March 2 and 3, the puppets called out some 50 helicopter gunboats and transport helicopters of the puppet army for an exercise of supporting ground attack operation and an airlifting operation exercise in the skies above the Demilitarized Zone [DMZ] in the eastern, central and western sectors of the front and fired more than 300 105mm shells and about 1,500 large-calibre machinegun and automatic rifle bullets at the areas near the DMZ in the central and western sectors of the front.

The unending belligerent moves of the U.S. imperialist warmaniacs and the South Korean puppets bring the situation on the Korean peninsula to a more acute phase of confrontation.

#### **Distortion of Facts on Peace Mechanism Alleged**

*SK0503084495 Pyongyang KCNA in English 0826 GMT 5 Mar 95*

[“Move for Sinister Purpose”—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 5 (KCNA)—The United States and some of its followers are nowadays distorting facts concerning the establishment of a new peace mechanism on the Korean peninsula. They charge the DPRK with “violating” the Armistice Agreement and international law and increasing the tensions on the Korean peninsula.

MINJU CHOSON today brands this as a foolish sophism to conceal their anti-peace, bellicose nature.

The analyst says:

The DPRK proposes that the Armistice Agreement be replaced with a peace agreement and a new peace mechanism be set up to replace the present nominal armistice body.

Establishment of a new peace mechanism on the Korean peninsula is an issue that can be settled only between the DPRK and the United States.

It is the United States that signed the Armistice Agreement.

And it is the United States that has systematically destroyed the Korean Armistice Agreement and the function of the armistice body.

As the Armistice Agreement has been made nominal by the United States, a signatory to it, and no hope can be pinned on it, we could not but take an appropriate measure.

Our self-determined measure and proposal for establishment of a peace mechanism demonstrate our noble sense of responsibility for a durable peace and security on the Korean peninsula and, further, in the world.

It is for a sinister purpose that the United States and some of its followers are conducting an anti-DPRK campaign while turning their back on the DPRK's proposal for establishment of a peace mechanism on the Korean peninsula.

The wrong attitude of dishonest forces to block the establishment of a new peace mechanism on the Korean peninsula and fish in troubled waters cannot work on the DPRK. No other party than the DPRK and the United States can squeeze into the issue of establishing a new peace mechanism.

If the United States and some of its followers create complex problems in this regard, we will have to take a relevant measure. We do not make an empty talk.

**New U.S., ROK Joint Operation Plan Denounced**  
*SK0403104095 Pyongyang KCNA in English 1021 GMT 4 Mar 95*

["Ill-Boding Military Move"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 4 (KCNA)—The war-hawks of the United States and South Korea have reportedly begun to work out "South Korea-U.S. Joint Operation Plan 5028," a war scenario against the DPRK.

While staging military exercises for surprise air strike and quick deployment against the DPRK, the U.S. war-mongers are planning to additionally supply heavy equipment to the U.S. Army units occupying South Korea. And the South Korean puppets scheme to import 168 air-to-ground missiles from the United States.

This is a very ill-boding military move for them to work out a new war plan against the North at this moment. This totally contradicts the spirit of the framework

agreement between the DPRK and the United States and drives the situation on the Korean peninsula back to tensions.

As already reported, the United States and the South Korean puppets worked out the dangerous "New Operation Plan 5027" for a surprise attack on the DPRK and increased the danger of war, maintaining a military preparedness for a quick action in case of emergency.

As if this were not enough, they have begun to work out the "South Korea-U.S. Joint Operation Plan 5028" which is far more grave than the "New Operation Plan 5027." This clearly shows that their scheme to unleash a new war has entered into a dangerous practical stage.

This also proves that the ulterior intention of the U.S. to stifle the DPRK with strength remains unchanged and has surfaced as a military scheme to stifle the DPRK, assuming a grave appearance.

It is strikingly clear that such military move will hinder the implementation of the framework agreement between the DPRK and the United States. This is as good as throwing a wet blanket over the implementation of the agreement by us.

The United States intends to impose its unreasonable demands on the DPRK by putting pressure on it and the puppets attempt to avail themselves of this opportunity to "unify the country by prevailing over communism."

They are, however, making a mistake.

Military pressure and tough policy can never work on the DPRK.

We have the strength of singlehearted unity and matchless revolutionary Armed Forces capable of defeating any formidable enemy at one stroke.

The United States must act with discretion, looking squarely at the unshakable will of the DPRK. And the South Korean puppets must immediately stop their reckless war preparations.

#### **'Scenario of Northward Invasion'**

*SK0503031295 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 4 Mar 95*

[FBIS Translated Text] According to reports, the U.S. and South Korean warmongers have recently begun to map out the South Korea-U.S. Joint Operation Plan 5028, a war scenario of northward invasion.

While continuously staging military exercises for surprise air strike and quick deployment against the northern half of the Republic, the U.S. warmongers are planning to supply additional heavy equipment to the U.S. Army units occupying South Korea. The South Korean puppets also scheme to import 168 air-to-ground missiles from the United States.

It is a very ill-boding [simsangchiannun] military move that they have begun to work out a new war plan against the North at this moment. This totally contradicts the spirit of the DPRK-U.S. agreed framework and again drives the situation on the Korean peninsula back to tensions.

As has already been exposed, the United States and the South Korean puppets mapped out the dangerous New Operation Plan 5027 in the past for a surprise attack on us and increased the danger of war, maintaining a military preparedness for a quick action in case of emergency.

As if this were not enough, the warmongers have begun to work out the South Korea-U.S. Joint Operation Plan 5028 which is far more grave than the New Operation Plan 5027. This clearly shows that their scheme [hunggye] to unleash a new war has entered into a dangerous practical stage.

Military pressure and tough policy can never work on us nor can they be a way out to the solution to the problem. We have the strength of singlehearted unity and matchless revolutionary Armed Forces capable of defeating any formidable enemy with one stroke.

The United States must act with discretion, looking squarely at the unshakable will of the DPRK. The South Korean puppets must also immediately stop their reckless war preparations.

#### **Talk Discloses 'Safety Flaws' of ROK Reactors**

*SK0403045495 Pyongyang Radio Pyongyang in Korean to South Korea 1200 GMT 1 Mar 95*

[Unattributed talk: "The Kim Yong-sam Ring Must Immediately Stop Maneuvering To Push the Antique Ghostly Light-Water Reactors"]

[FBIS Translated Text] The world's progressive mankind unanimously supports and welcomes the signing of the DPRK-U.S. agreed framework and hopes that it will be implemented successfully.

The successful implementation of the DPRK-U.S. agreed framework is favorable to peace and security on the Korean peninsula; the fatherland's independent, peaceful reunification; and the nation's common interest.

If the DPRK-U.S. agreed framework is implemented sincerely, the danger of a nuclear war on the Korean peninsula, which has been created by the outside forces, will disappear, tense confrontation will turn into detente, and a new phase will open for the fatherland's reunification.

All Koreans who treasure the interests of the country and the nation and hope for peace, irrespective of whether they are in the North, in the South, or abroad, hope that the agreed framework will be implemented successfully. However, the toadyist and treacherous Kim Yong-sam group, which has already given up being

Korean, is viciously maneuvering to build an artificial obstacle to implementing the DPRK-U.S. agreed framework. This is clearly shown by the fact that the Kim Yong-sam ring recently got involved in the provision of light-water reactors, a central issue in the DPRK-U.S. agreed framework, and is desperately trying to supply us with the so-called ROK-model light-water reactors.

Then, first, we will carry a talk entitled "So-Called Light-Water Reactors are Ghosts."

At a time when the DPRK-U.S. agreed framework is about to be implemented, the puppet Kim Yong-sam clique is now viciously maneuvering to build an artificial obstacle to peacefully solving the nuclear problem, while persistently demanding that the ROK-model light-water reactors be chosen. Those fellows are making the provocative absurd remarks that if the ROK-model light-water reactors are not chosen, the DPRK-U.S. agreement will be broken up and that the Team Spirit exercise will be resumed. They are also begging, in a dirty manner, their masters to choose their ghostly reactors. This is a rash act by the very mean swindler.

As the entire world acknowledges, the ROK-model light-water reactors which the Kim Yong-sam ring is talking about are mere ghosts. It is basic common sense that a light-water reactor can acquire its own name when it is newly developed technologically and when its safety and economic efficiency are ascertained. Then, the ROK-model light-water reactor is a ghost, and neither its safety nor its economic efficiency has been ascertained.

The ROK-model is no more than a political terminology they promptly attached to the Ulchin light-water reactors Nos. 3 and 4 now under construction, when the problem of offering light-water reactors to North Korea was raised according to the DPRK-U.S. agreed framework.

The puppets advertise that the ROK-model light-water reactor was modelled after the Yonggwang light-water reactor Nos. 3 and 4 with the U.S. Palo Verde reactor as a reference plant. It is nothing but a hybrid assembly of parts of the outdated light-water reactors that were imported from abroad and are now undergoing operation or trial operation.

Therefore, they could not present the design of the reactors to international review or make public information on their safety and economic efficiency.

The so-called ROK-model Yonggwang Nos. 3 and 4 are still at a stage prior to the nuclear fuel assembly [haek yollyojang] stage. They are not yet undergoing commercial or even trial operation.

Therefore, it is questionable whether they will be operated normally.

Furthermore, the construction of Ulchin light-water reactors Nos. 3 and 4 is at the 60 percent stage. It is anticipated they will undergo trial operation in the late nineties, and it is planned to finish the design on the basis of the trial operation.

All nuclear reactors, including the Ulchin Nos. 3 and 4, which the puppets insist are of a ROK model, are based on French technology and an assortment of various technologies discarded by the West because they were too old.

This is why a South Korean magazine reported the ROK-model light-water reactor does not exist in concept and in reality.

Moreover, the Yonggwang Nos. 3 and 4 are based on inferior technology, which the United States discarded 20 to 30 years ago because they were outdated. Furthermore, the Yonggwang Nos. 3 and 4 are now condemned for their careless and random construction. The ROK-model light-water reactors of South Korea are unborn cripples whose safety is questioned even before they are born.

The ROK-model light-water reactors, which are under careless construction with design flaws, are virtually a disastrous time bomb. Steel towers for installing turbines collapsed last May. This was a serious accident.

It is very clear that the safety of the reactors cannot be guaranteed because accidents take place frequently even when they are under construction.

A Japanese antinuclear scientist said: The accident at the construction site of the Ulchin No. 3 may lead to a serious accident inside the atomic reactor. If construction is finished, the reactor will be a disastrous time bomb.

This assessment is no coincidence.

South Korea's atomic power stations are the most backward in economic efficiency.

In Japan, the life span of an atomic power station is estimated at 60 to 90 years. However, that of South Korean atomic power stations is less than 15 years, not even their designed life span of 30 years, because of outdated technology and careless construction. Therefore, people at home and abroad say the so-called ROK-model light-water reactors are not atomic reactors that generate electricity with nuclear fuel, but are trouble-makers that produce only nuclear waste.

The Kim Yong-sam ring's attempt to supply the unborn cripples called ROK-model light-water reactors, which do not exist in reality and whose safety standards and economic efficiency are seriously low, to our Republic is a never-to-be-condoned brutal act designed to inflict a horrific nuclear catastrophe upon its fellow countrymen.

Not only our nation, but the people of the world will not tolerate such a mean act by the Kim Yong-sam ring.

It is well known to the world that as soon as the DPRK-U.S. talks were held, the Kim Yong-sam ring found fault with our nonexistent nuclear problem to break up the talks and begged the outside forces to join in sanctions, strong measures, or a cooperative system.

When progress was made in the DPRK-U.S. talks, the traitor Kim Yong-sam went to his masters and begged them to link the DPRK-U.S. talks to North-South dialogue and not to proceed with the DPRK-U.S. talks if no North-South dialogue is held. It is the traitor Kim Yong-sam who, while spreading the rumors that the North has five nuclear shells, insisted that the United States not proceed with the DPRK-U.S. talks.

When the DPRK-U.S. talks were held successfully and when, as a result, the DPRK and the United States were about to release the agreed framework, the traitor Kim Yong-sam lost his reason and ran wild to reverse the situation, while saying that the U.S. negotiations strategy was clumsy and that the United States was too foolish.

Even though the Kim Yong-sam ring begged desperately, the DPRK-U.S. agreed framework was released, and Kim Yong-sam lost face before the world and met the fate of a dog futilely chasing after a chicken on a roof.

Without learning a lesson and shaking his bad habit, the traitor Kim Yong-sam is trying to put a brake on the implementation of the DPRK-U.S. agreed framework, begging the United States to link the implementation of the agreed framework to the resumption of North-South dialogue, and persistently maneuvering to supply their so-called ROK-model light-water reactors to our Republic.

Now, you will listen to dialogue between station reporters Chong Song-kang and Yi In-chun under the subject "The Criminal Goal To Push the So-called ROK-type Light-Water Reactors."

[Begin recording] [Chong] How are you?

[Yi] How are you?

[Chong] As everyone knows, the Kim Yong-sam puppet clique is enacting an unprecedentedly tenacious maneuver to push in the ghostly so-called ROK-type light-water reactors to our northern half of the Republic, at a time when the DPRK-U.S. agreed framework is in the implementation stage. The rascals raved that if their so-called ROK-type light-water reactors are not selected, the DPRK-U.S. agreement may be broken, and the Team Spirit joint military exercise may be resumed. They jabbered as if the rascals were a party to the implementation of the DPRK-U.S. agreed framework. They are running amok to push on us the antique [koltongpum] light-water reactors, which do not even have their own identity. I think insidious political goals are behind the rascals' unrivaled mean maneuver to introduce the light-water reactors.

[Yi] You are right. The Kim Yong-sam puppet clique is tenaciously clinging to its maneuver to introduce its light-water reactors because, above all, it wants to create an artificial obstacle to the implementation of the DPRK-U.S. agreed framework, and break the implementation of the DPRK-U.S. agreed framework by all

means. The ugly goal here is to turn DPRK-U.S. relations back to the situation before the talks, and to join hands with foreign forces to crush [apsal] us. It is not a coincidence that an Eighth U.S. Army broadcast commented that the puppets are insisting on their so-called ROK-type light-water reactors because they are embarrassed at the rapid improvement of DPRK-U.S. relations. They needed a countermeasure to stop that.

[Chong] Yes. In fact, the Kim Yong-sam ring used all possible maneuvers to break the DPRK-U.S. talks but now it is like a dog looking up to the roof after chasing the chicken. The Kim Yong-sam ring, which lost its face like a dog in front of the world and became an outcast, needed to put such a brake on the improvement of DPRK-U.S. relations and the implementation of the agreed framework. They used the so-called ROK-type light-water reactors, which do not even have an identity, as the brake. The rascals whined and begged their master to introduce their ghostly light-water reactors to us. They are also committing the mean maneuver to magnify the issue by resuming the Team Spirit joint military exercise. This virtually proves that the Kim Yong-sam ring is trying to use the so-called ROK-type light-water reactors, which are antiques without an identity, to block the improvement of DPRK-U.S. relations and the implementation of the agreed framework and avoid being an orphan drifting away from the general trend. The Kim Yong-sam ring is using the light-water reactors as a tool to crush [apsal] us through a successful commotion of sanctions and alliances.

[Yi] That is right. Another insidious political goal of the Kim Yong-sam puppet clique's tenacious maneuver to introduce light-water reactors is to provide a new doorway for North-South confrontation. It is not accidental that the South Korean Munhwa Broadcasting Station reported that, on the premise of the supply of light-water reactors, the South Korean authorities are trying to thoroughly clarify the past of the North Korean nuclear development through mutual inspections [sangho sachal]. The broadcast exposed that the authorities are using the supply of light-water reactors as a new ignition point for North-South confrontation. South Korean CHOSON ILBO also pointed out that making noises about providing the support in accordance with the level of the nuclear transparency, and about boycotting the light-water reactor funds, is to seek a black scheme to make anti-North confrontation a fixed policy.

[Chong] Yes. The Kim Yong-sam ring is running amok to push on to us the so-called ROK-type light-water reactors which have no identity. Another goal of this is to use the supply as a breakthrough for exchanges and cooperation. The so-called "exchanges" that the puppets are raving about is a product of their maneuver to induce us to open up and reform, then, demolish the popular masses-centered socialism of our style, and expand the rascals' spoiled liberal and democratic system to our northern half of the Republic. The rascals are attempting to achieve the goal under the embellished excuse of supplying the light-water reactors.

[Yi] That is right. Even the South Korean authorities themselves admitted such insidious attempts. Recently, puppet traitor Kim Yong-sam openly babbled that if light-water reactors are brought into North Korea, a direct inter-Korean dialogue would be indispensable and the exchange between the North and South would be further expanded. A Chongwadae [presidential offices] official also admitted that provision of reactors to the North would further expedite the North's opening. Another South Korean official confessed that the supply of light-water reactors to North Korea is motivated by a strategy to disturb public sentiments in North Korea and lead it to an opening. The South Korean magazine HANGYORE 21 exposed that the supply of light-water reactors is like a poisoned carrot aimed at disintegrating the North. In this way, the Kim Yong-sam ring's tenacious maneuver to supply light-water reactors is none other than a premeditated criminal act to crush [apsal] our Republic and to put a break on the implementation of the DPRK-U.S. agreed framework. The Kim Yong-sam puppet ring's criminal scheme can never be condoned.

[Chong] Yes. This will be all for today. [end recording]

The kind of product a buyer chooses is entirely up to the need and decision of the buyer. However, the fact that the Kim Yong-sam group is running amok to impose upon us its antique reactors, which we did not even request, is a senseless act that goes against elementary common knowledge and international usage. Furthermore, the issue concerning the light-water reactors is something that needs to be resolved between the United States and us and its responsibility rests on the United States.

The Kim Yong-sam ring has no capability nor face to poke its nose into this affair. A high-ranking official of the South Korean puppet Foreign Ministry also testified that the DPRK-U.S. agreement does not stipulate the guarantee of the South Korean-model. Nevertheless, it is really a laughingstock that the Kim Yong-sam group attempts to supply to us the nonexistent South Korean-model light-water reactors at any cost.

Because of this, the people at home and abroad and of various strata denounce the so-called South Korean-model light-water reactors as antique reactors that lack safety and economic efficiency, as a congenital cripple, and as a ghost-like product, and strongly call for the suspension of the South Korean regime's mean act to impose its reactors on our Republic.

Finally, we will read to you repercussions entitled "The Scheme To Provide the Light-Water Reactors Must Be Suspended."

A manager of the construction office of the South Korea Electric Power Corporation confessed that the South Korean-model reactors are all but fake. Kim Chang-su, researcher at the Peace Research Institute, exposed that South Korea's self-reliance in atomic power is the same as advertising that cars with vital parts imported from

abroad and only assembled in South Korea are South Korean models. A technician who participated in the construction of Yonggwang reactors Nos. 3 and 4 said that everything from construction to inspection is a big problem. Even though it was a tough construction that would be difficult even for skilled workers to carry out, day laborers were in charge of the construction, causing numerous flaws, including reversed welding. He added that Yonggwang reactors based on the so-called South Korean model are monsters that can have an accident at any time.

Hwang Sang-ki, member of the Environment Movement Association, exposed as follows: South Korea's reactors are not only an unreliable guesswork but also have severe safety flaws. The South Korean magazine MAL maintained: The South Korean-type light-water reactors do not exist in reality, in substance, or in concept. It is not appropriate to forcibly dump South Korean light-water reactors on North Korea. Presumably, the authorities are scheming to provide South Korean-type reactors to North Korea so as to inflict harm on the DPRK-U.S. agreed framework.

It further insisted that it would be favorable for the national interests and the promotion of North-South relations to withdraw its attempt to force in its reactors which do not even exist.

The South Korean magazine WOLGAN CHOSON pointed out: South Korea's reactors were built with outdated design technology which the United States stopped using a long time ago. It is truly deplorable that South Korea is attempting to push onto North Korea those reactors labeled as the South Korean model.

Exposing the fact that South Korean-type light-water reactors are political rhetoric and not a scientific terminology, a lecturer at the Environment Movement Alliance called for the suspension of the maneuvers to push light-water reactors onto North Korea.

A Korean scholar residing in Japan protested: The Kim Yong-sam authorities' attempt to dump antique reactors on to North Korea is an impudent act. This not only makes the southern part but also the northern part of the fatherland a nuclear-contaminated area. If the South Korean authorities have any regard for the nation's survival and future, they should let North Korea be provided with more high-tech and safer light-water reactors through North Korean-U.S. negotiations. The South Korean authorities should stop its maneuvers to push their antique light-water reactors onto North Korea.

A Russian publication claimed: It is truly absurd that they attempt to dump congenitally-crippled reactors onto the northern half of the Republic. The selection of light-water reactors should be based on safety and economic efficiency, the history of atomic development, the level of technology, and the type of modern equipment. The South Korean authorities should immediately withdraw their maneuver to bring in light-water reactors with which they seek a sinister purpose.

Japan's ASAHI SHIMBUN reported that the public opinion opposing South Korea's participation in the project of light-water reactor construction increases in the United States and Japan and that they oppose that specification of the South Korean model at the contract on supplying light-water reactors. It further exposed that South Korea's scheme to supply the South Korean model stems from its ambition to jump into a reactor-exporting commercial war. In this way, the social circles and press at home and abroad continue to expose the true color of the Kim Yong-sam ring's so-called South Korea-type light-water reactors, and strongly reject and oppose its maneuver.

If the Kim Yong-sam treacherous group is left intact, the nation's reconciliation, the fatherland's reunification, and peace on the Korean peninsula can never be realized and the South Korean people can never be able to escape the calamity of nuclear pollution. This is why the entire nation is invariably calling for go down with Kim Yong-sam. There is no heaven nor land for the downfall of the Yong-sam ring. The Kim Yong-sam ring should know its pitiful stance and act discreetly. If the Kim Yong-sam ring continuously pursues a sinister political purpose with the antique light-water reactors against the protest of the people at home and abroad, it will face a stern judgment by history and the nation. The Kim Yong-sam ring should immediately stop its dirty maneuver to force in light-water reactors.

#### **Introduction of Weapons Into DMZ Denounced**

*SK0503083095 Pyongyang KCNA in English 0815  
GMT 5 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 5 (KCNA)—The South Korean puppets, on Thursday and Friday, introduced 90 mm recoilless guns and 12.7 mm machine guns into the Demilitarized Zone (DMZ) in western and central sectors of the front and took a firing posture, levelling them at civil police posts of our side, military sources said.

In another development, in the period from March 1 to 3 above 1,600 armed bandits of the puppet Army thronged into the DMZ areas in western, central and eastern sectors of the front, inciting an atmosphere of confrontation.

This is a premeditated provocation of the Kim Yong-sam fascist clique intended to render the situation in the DMZ strained.

#### **ROK Warned Against Nuclear Dump on Kulop Islet**

*SK0403045095 Pyongyang KCNA in English 0417  
GMT 4 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 4 (KCNA)—If the Kim Yong-sam group force the construction of a nuclear waste dump in Kulop Islet, pursuing a sinister political purpose, we will have to take a

strong countermeasure against it. This warning is served in the statement adopted at an emergency joint meeting of anti-nuke and environmental organisations held in Pyongyang on March 3.

The statement was issued in the name of five anti-nuke and environmental organisations including the Korean Anti-nuke Peace Committee and the State Environmental Commission of the Democratic People's Republic of Korea.

The statement brands the scheme of the South Korean puppets to build a very dangerous nuclear waste dump near the area of the North side as another unpardonable grave provocation and hostile act for inflicting damages from radioactive materials upon the North.

If a nuclear waste dump is built in Kulop Islet, with 25 million Koreans residing within the radius of 100 kilometres from the islet, our compatriots will live in constant uneasiness and fear, breathing air and drinking water polluted with radioactive materials. Worse still, in case of an accident, they may be totally destroyed by the damages from nuclear radioactive materials, the statement says, and continues:

If radioactive materials little short of nuclear timebombs are stockpiled in the Kulop Islet near the Military Demarcation Line along which the two sides are standing in an acute military confrontation, it will cause a trouble bringing the situation nearer to the brink of war and, eventually, our fellow countrymen will be plunged into the holocaust of a new war, a nuclear war, an irrevocable disaster.

The scheme of the South Korean puppets to build a nuclear waste dump in Kulop Islet is tantamount to the declaration of a radioactive war against the North.

The traitor Kim Yong-sam, the vicious enemy of the nation, who levelled the gun at the fellow countrymen of the North who were wailing over the death of the father of the nation, is now going to threaten our existence by storing nuclear radioactive materials under our very nose.

Our people and People's Army, united rock-firm around respected Supreme Commander Comrade Kim Chong-il, an ever-victorious iron-willed brilliant commander, will never tolerate any anti-national provocative act of the enemy.

The statement expresses the hope that the anti-nuke peace organisations, environmental organisations and peaceloving people of all countries of the world will intensify their struggle to check and frustrate the criminal scheme of the South Korean puppets to threaten the existence of our nation and humankind by building a nuclear waste dump in Kulop Islet without any geographical guarantee, wantonly violating the international law.

### Groups Denounce Nuclear Dump Plan

SK0503030095 *Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 3 Mar 95*

[Statement adopted at an emergency joint meeting of DPRK antinuclear and environment organizations held in Pyongyang on 3 March—read by announcer]

[FBIS Translated Text] A statement adopted at the emergency joint meeting of antinuclear and environment protection organizations:

Korean [choson] Antinuclear and Peace Committee, Korean Antinuclear and Peace Medical Doctors Association, the Association of Korean Atomic Bombs Victims for Antinuclear Peace, the DPRK State Environmental Commission, and the Central Committee of Korean Environmental Protection Union, held an emergency joint meeting in Pyongyang on 3 March and adopted this statement regarding the South Korean puppets' reckless maneuver to build the extremely dangerous nuclear waste disposal site near our side.

As it has been reported, on 22 December 1994, the Kim Yong-sam ring selected Kurop Island in Tokchok-myon, Ongjin County, Kyonggi Province, as a permanent nuclear waste disposal site. On 27 February, the Kim Yong-sam ring made a final announcement designating this area as a site for radioactive waste management facilities. According to the puppets' plan to develop the area for radioactive waste management facilities, some 250,000 drums of mid- to low-priority nuclear waste, and 3,000 tonnes of high-priority nuclear waste, would be initially buried in the nuclear waste disposal site on Kurop Island, and some 1 million drums of mid-to-low-priority and 15,000 tonnes of high-priority nuclear waste would be added in the future.

The South Korean puppets are trying to build the deadly nuclear waste disposal site on an island close to South Hwanghae Province of our side across the Military Demarcation Line. This is another intolerable grave provocation [omjunghan tobal] and hostile act designed to inflict damage from radioactive material on us. The disposal of nuclear leftovers is a very serious issue related to human survival. The nuclear waste contains some 40 kinds of radioactive nuclides that destroy the natural ecological environment and exterminate living organisms. Their half-life period extends to 100,000 years. People would die instantly when exposed to only 400 to 500 rem [Roentgen-equivalent-man] of radioactivity from the waste. Land polluted by radioactivity would become a barren land where no living organisms could exist.

International laws stipulate strict orders and regulations on the disposal of high-priority, as well as low-priority nuclear waste. Other countries are building disposal sites in deserts, permanently frozen lands, or under the seabed away from their territories, where no people live. Not feeling safe with the deep burial under the seabed, some

countries have developed computer programs to evaluate the 100-year safety in fear of the risk. Others have taken the measure to close down nuclear power plants because the nuclear waste disposal has become a serious social problem.

The South Korean puppets selected Kurop Island for nuclear waste disposal without any scientific and technological considerations, risking the survival of the residents in this area, our compatriots in the North and the South, and people of the neighboring countries. The area adjacent to Kurop Island has a high population density. There are 25 million of our compatriots living within the radius of 100 km from Kurop Island. If a nuclear waste disposal site is built on Kurop Island, numerous compatriots would live with air and water polluted by radioactivity and with constant anxiety and fear. Moreover, in the event of any accident, it may lead to a horrible total destruction from nuclear radioactivity.

In view of the geographical, geological, and traffic conditions of Kurop Island, the place is too dangerous for the construction of a nuclear waste disposal site. Building a nuclear dump here is not different from making Kurop Island a nuclear time bomb. According to research data, Kurop Island is known to the world as an island with poor natural and geographical conditions: the island has great fluctuations between the rise and fall of the tide, and is vulnerable to tidal waves and typhoons due to the global greenhouse effect.

As to the geological condition, Kurop Island is located in the Cenozoic dislocation earthquake circle, where three fourths of our country's earthquakes have taken place. It proves to be an absolutely dangerous area with three developed dislocations, and two to three ionizations per meter.

Turning to the transportation condition, Kurop Island has shallow water, many sunken rocks, and frequent foggy days. Even a 200-tonne ship can hardly sail there. Being far from the nuclear plants, its location is analyzed and evaluated as the worst because a ship must pass near all three coasts in the east, the south, and the west. If a nuclear waste disposal site is built here, an earthquake might result in a disaster incomparable with Japan's great quakes of Kanto and Hansin. If water were to filter in due to dislocation and ionization, it would create far more leakage of radioactivity than the accident of Russia's Chernobyl nuclear power plant. Various unexpected accidents could also take place during transportation.

Furthermore, we must pay attention to the fact that, in view of the natural geographical conditions of Kurop Island, if a nuclear waste disposal site is built here, our territorial sea in the West Sea would be polluted by radioactivity due to the northward ocean current flowing toward the northern Shandong peninsula, and our residents in Kaesong, and Haeju, Ongjin, Paechon, and Chongdan in South Hwanghae Province, which are within 100 km from Kurop Island, would be directly

affected by nuclear damage because the sea wind is blowing inland throughout the year.

Even South Korea's notorious military fascist clique did not dare to build a nuclear waste disposal site near our side and selected sites on the islands on its side or along the coast far from the Military Demarcation Line.

The fact that the Kim Yong-sam treacherous group readily selected a nuclear waste disposal site near our side's waterfront is a vicious act of national betrayal that does not hesitate to lead inter-Korean relations to the worst phase and that does not care for the nation's fate and future. This also shows that the rascals are villains, more vicious than the military dictators of the Fifth and Sixth Republics.

The emergency joint meeting strongly denounces the Kim Yong-sam ring's criminal act to build a nuclear waste disposal site at Kurop Island near our side as a never-to-be-condoned act of annihilating the nation to inflict damages on the land, rivers, and seas of the nation with nuclear waste and to turn all fellow countrymen in the North and South into horrifying scapegoats of radioactive materials, and as a provocative act to lead North-South relations to their worst phase. For a long time, the South Korean puppets have perpetrated vicious criminal acts of secretly engaging in nuclear development and randomly disposing of nuclear waste, thus severely polluting the land, rivers, and seas of South Korea and destroying nature's ecosystem.

Nuclear waste disposed of by the puppets in the sea in recent years reportedly reaches up to 11,000 trillion becquerels. As the result, South Korea's seas are all covered with nuclear waste; sea resources, including laver, brown seaweed, fish, and shellfish, are dying; and deadly diseases are spreading among fishermen and people living along the coast. There was even a case in which a woman who ate contaminated fish bore a web-fingered baby.

It is as clear as daylight that if the Kim Yong-sam ring delivers nuclear waste stockpiled in South Korea's atomic power stations to Kurop Island, not only the residents of Kyonggi Province and Inchon but also all fellow countrymen in the North and South will not be able to avoid a terrifying nuclear holocaust. Especially, if radioactive materials, short of being nuclear time bombs, are stockpiled in Kurop Island near the Military Demarcation Line—where the two sides are standing in an acute military confrontation—it will cause trouble, bringing the situation closer to the brink of war. Eventually, our fellow countrymen will plunge into the holocaust of a new war, a nuclear war, and an irrevocable disaster. If a nuclear waste disposal site is to be built on Kurop Island, the first to suffer from nuclear damage are the South Korean people, including the people living near Kurop Island and Kyonggi Province.

Being deeply aware of the fact that checking the construction of a nuclear waste disposal site on Kurop Island

is a serious issue that is linked with the survival of all the fellow countrymen, including theirs, South Korea's anti-nuclear environment protection groups, patriotic students, and people of various strata should rise up to resolutely smash the puppet clique's maneuver to build the disposal site and to purge the Kim Yong-sam treacherous ring, which again attempts to bring about a nuclear catastrophe even though it committed enormous crimes before the nation and the country.

The South Korean puppets' attempt to build a nuclear waste dump on Kurop Island is tantamount to the declaration of a radioactive war against us. Traitor Kim Yong-sam, the vicious enemy of the nation, who leveled the gun at fellow countrymen of the North who were wailing over the death of the father of the nation, is now going to threaten our existence by storing nuclear radioactive materials under our very noses. We cannot remain an on-looker to this. If the Kim Yong-sam ring forcibly carries out the construction of a nuclear waste disposal site on Kurop Island in pursuit of an insidious political purpose, we cannot but take a strong countermeasure against it.

Our people and People's Army—who are firmly united around the respected Supreme Commander Comrade Kim Chong-il, an ever-victorious iron-willed brilliant commander—will never tolerate any antinational provocative act of the enemy at any cost.

Availing ourselves of this opportunity, we express the hope that the anti-nuclear peace organizations, environmental organizations, and peace-loving people around the world will intensify their struggle to check and frustrate the criminal scheme of the South Korean puppets who are attempting to threaten the existence of our nation and mankind by building a nuclear waste dump on Kurop Island without any geographical guarantee, wantonly violating international law.

[Dated] 3 March 1995, Pyongyang

### **Kulop Islet Nuclear Waste Dump Opposed in ROK**

SK0403052295 *Pyongyang KCNA in English 0419*  
GMT 4 Mar 95

[FBIS Transcribed Text] Pyongyang, march 4 (KCNA)—The Citizens' Federation for Economic Justice of South Korea held a rally in front of the general building of the puppet government on March 2 and urged the puppet clique to completely withdraw the designation of Kulop Islet as a nuclear waste dump, a Seoul-based radio reported.

In a resolution adopted at the rally, the organisation opposed the designation of Kulop Islet as a nuclear waste dump and demanded an open TV discussion on nuclear energy.

### **'Criminal Nature' of ROK Security Law Viewed** SK0403105895 *Pyongyang KCNA in English 1042* GMT 4 Mar 95

[“Criminal Nature of ‘National Security Law’”—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 4 (KCNA)—The committee of measures for the abolition of the “National Security Law” of South Korea on March 4 sent an indictment to the United Nations and the governments, political parties and organisations of all countries of the world, exposing the criminal nature of the “National Security Law” blocking the democratic development of South Korean society and obstructing the unity of the nation and the reunification of the country.

Pointing out that the “National Security Law” is an anti-national law going against the times, the indictment says:

The “National Security Law” of South Korea was made by the Syngman Lee regime in December 1948, imitating the “maintenance of the public order act” which had been in force in the days of the Japanese imperialist rule. Not content with this evil law, the Pak Chong-hui group made a new law called “anti-communist law” after it took power in 1961. Towards the end of 1980, the Chon Tu-hwan group revised it into the “National Security Law” by including in it the venomous articles of the “anti-communist law”.

The law defines the Democratic People's Republic of Korea, the General Association of Korean residents in Japan (Chongnyon) and pro-north organisations of overseas Koreans as “anti-state organisations”. It stipulates that all those who “form an anti-state organisation” or “join” in it shall incur penalties up to death penalty, branded as “members of an anti-state organisation”.

Under this law, progressive political parties and organisations formed in South Korea are branded as “anti-state organisations” and harsh penalties are inflicted upon the South Korean students and people of various social strata calling for independence, democracy and reunification, labelled as “leftist pro-communist forces” and “forces seeking to overthrow the system”.

The law not only denies the nation and challenges democracy but also criminalizes contact, travel, correspondence and telephone calls between people living separated in the North and the South, thus laying a grave hurdle in the way of North-South dialogue and the movement for national reunification.

The indictment notes that the “National Security Law” is an evil law blocking the reunification of the country.

It says:

When he was in an opposition party, Kim Yong-sam called for the repeal of the “National Security Law”. After taking office, however, he abruptly changed his

stand and contends that "the law cannot be abolished under the condition of division."

Criminalizing all the civilian-level dialogues and contacts under the "National Security Law", the Kim Yong-sam group arrest even those students who have contact with students of the North through international telephone or exchange view with them by mail. And they bring charges not only against contact and dialogue between the North and the South but also against debates on reunification and the reunification movement.

Still more intolerable is that the "National Security Law" is an anti-ethic one under which they suppressed people who expressed condolences over the misfortune of the fellow countrymen in the North and who wanted to make northern trip for mourning, labelling them as "criminals." By invoking this evil law, the Kim Yong-sam group walked away from July 9 to 20 last year more than 48,300 patriotic students and people who sent messages of condolence to the North or joined the mourning delegation and who wrote mourning addresses or installed incense-burning stands.

The indictment notes that the "National Security Law" is a murderous law obliterating democracy and human rights.

It says:

Though the present South Korean authorities advertise "democratic politics" and "reforms", they have in actuality established a fascist repressive rule.

Even demands of the people for the right to live, not to speak of their desire for independence, democracy and reunification, are put down under the "National Security Law" in South Korea.

Hating the South Korean Federation of General Student Councils, an organisation of progressive students, as a thorn in the flesh, the South Korean authorities arrest the hardcore members of the organisation calling for independence, democracy and reunification by invoking the law and impose unwarrantable penalties upon them.

They suppress the action of workers for wage hike as "collective egoism" and "illegal acts" and the rallies of farmers and people of various social strata for defending the agricultural market as "illegal meetings."

In two years of Kim Yong-sam's office, they have arrested above 28,000 people.

The indictment notes that the "National Security Law" is an evil law for faking up false charges and cases.

Tortures and fabrication of criminal cases are sharply increasing in South Korea, far from diminishing. This is because those who pass penalties upon people under the "National Security Law" on false charges of "spies and the reds" are commended or promoted.

Thirtysix "spy cases" cooked up in South Korea last year including the "brother and sister spy case", the "case of vanguards for national salvation", the "spy case of husband and wife" and Yi Hwa-chun "spy case", are all products of tortures.

Unconverted long-term prisoners who were put to all kinds of cruel tortures in prison for more than 40 years and countless other people have been or are being penalized on false charges.

The "National Security Law" of South Korea is a legal means and repressive tool for blocking the unity of the nation and the reunification of the country and obstructing the independence and democratisation of South Korean society, ensuring the abuse of power and stay in office of the rulers estranged from the people.

This is why not only the South Korean people but also international democratic organisations, human rights organisations and even the U.S. State Department demand the abolition of the "National Security Law".

The indictment expresses the hope that the United Nations and the governments, political parties and organisations of many countries will lift up voices of solidarity with the Korean people in the struggle for the repeal of the "National Security Law" obstructing the independent and peaceful reunification of Korea and the democratic development of South Korea, and exercise their influence to this end.

#### **ROK Silence on Defector's 'Declaration' Noted**

*SK0403102395 Pyongyang KCNA in English 1002  
GMT 4 Mar 95*

["Kim Yong-sam Touched on Sore Spot"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 4 (KCNA)—The traitor Kim Yong-sam dare not utter a word about the declaration of conscience released by Kim Hui-won, former chairman of the Kangwon Provincial Committee of the "Reunification Democratic Party" and member of the Central Standing Committee of the "Democratic Liberal Party" of South Korea.

The declaration describes Kim Yong-sam as a mean political charlatan who dances to the drum-beating of outside forces and acts at the beck and call of behind-the-scenes manipulators, and as a plotter and mean bastard who pursues underhand politics under the protection of the "Agency for National Security Planning."

This is the topic of press commentaries today.

A NODONG SINMUN analyst says:

It is a week since Kim Hui-won published the declaration.

All South Koreans who know Kim Yong-sam say "he does not lend an ear to others' words and plays the

peacock, boasting of his achievements." And they say "he is a demon at dodging and shifting the blame on to others."

Though he is as cunning as a fox, Kim Yong-sam remains close-mouthed, without a word about the declaration of Kim Hui-won who attacked him point-blank. There are many word-mongers such as "spokesman" in his "Chongwadae," [presidential offices] the puppet administration and political party which serves him as a bridesman. None of them, however, speak about the declaration and dare refute it.

It is because they were touched on the sore spot by the declaration.

The true color of Kim Yong-sam as a political charlatan, political prostitute, renegade, sensualist and miser has been laid bare once again.

Kim Yong-sam would be well advised to step down before a bolt from the people falls on his head.

MINJU CHOSON says the traitor Kim Yong-sam must frankly admit that he seized power with swindles and frauds, and confess the truth behind the underhand politics he has pursued hither-to.

#### **Miners' Rally, Students' Struggle in ROK Noted**

SK0303050695 *Pyongyang KCNA in English 0424*  
GMT 3 Mar 95

[FBIS Transcribed Text] Pyongyang, March 3 (KCNA)—Some 5,000 coal miners and inhabitants in Kohan and Sabuk of South Korea struggled against the South Korean authorities' scheme for the unpopular "rationalisation of coal industry" on February 27 and 28, according to a radio report from Seoul.

They held a rally and strongly demanded a prompt repeal of the "policy of rationalising coal industry" and the enactment of a special law for the development of coal areas, declaring that "struggle against the 'government' is our only way out."

Meanwhile, some 200 students of the Methodist Theological Seminary staged a demonstration for the democratisation of campus on February 28, demanding the resignation of the subsidized president and the dissolution of the board of the foundation of the seminary.

#### **Japan Avoiding Responsibility for 'Past Crimes'**

SK0303050795 *Pyongyang KCNA in English 0402*  
GMT 3 Mar 95

["Japanese Govn't Cannot Avoid Legal Responsibility for Past Crimes"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 2 (KCNA)—A noncommittal "postwar settlement" by Japan has created a dangerous situation in which Japan, the assailant, is disguising herself as a victim," said Yi Chol, head of the DPRK Government delegation.

He was speaking at the discussions of the 11th agenda item of the 51st meeting of the UN Commission on Human Rights now open in Geneva.

What Japan is trying to gloss over by all means is, among other things, the crimes committed by old Japan during the Second World War, in other words, sexual enslavement of nearly 200,000 Korean women, forcible drafting of more than 6 million Koreans and brutal massacre of more than 1 million Koreans, he said, and went on:

These were anti-ethical and anti-woman heinous crimes largest in scale and the most cruel in method and organised crimes committed by invoking government and military power in an orderly manner on the instructions of the government.

The Japanese Government is still trying to erase facts about the crimes and evade the responsibility for it.

It had distorted or deleted Japan's crimes in the history textbooks and other books, thus keeping the younger generation of Japan in the dark as to the true history of her past.

As regards the compensation to the "comfort women for the army," the Japanese Government is scheming to set up what it calls "Asia peace and friendship fund" and dispose of the compensation problem through it, refusing an honest compensation.

Apology and compensation are necessary not only because the victimized countries and peoples demand them but because they are for the sake of Japan herself.

So long as the Japanese Government avoids the legal responsibility for the past crimes, the intention of Japan to play a more active role in the international community cannot be construed otherwise than her intention to revive old militarism, he stressed.

#### **Taiwan, U.S. Study Groups Continue Tour**

SK0303221395 *Pyongyang KCNA in English 1501*  
GMT 3 Mar 95

[FBIS Transcribed Text] Pyongyang, March 3 (KCNA)—The Taiwanese and U.S. tourist study groups which came here on February 28 for the Pyongyang International Sports and Cultural Festival for Peace slated for late April have visited more places. On March 2 and 3, they saw the Grand People's Study House, the three-revolution exhibition, the Pyongyang metro and the Tomb of the King Tangun, the father of the Korean nation, which were built in Pyongyang as edifices of eternal value.

At the Grand People's Study House which houses 30 million books, they went round with deep interest to modernly-furnished lecture rooms, reading rooms and tape-recorded lecture rooms. At the three-revolution exhibition with the total floor space of more than 80,000 square metres, they acquainted themselves with the proud achievements registered by the Korean people in

the efforts to implement the line of three revolutions, ideological, technical and cultural.

The members of the groups boarded an electric car with Pyongyangites and saw different stations of the gorgeous Pyongyang metro called "underground Pyongyang." Then, they visited the Korean film studio and saw acting of actors and actresses and the mock-up "location" streets. They also saw the training of a mass gymnastic display by school youths and children at the Pyongyang indoor stadium.

Then, they visited the modernly-equipped Pyongyang maternity hospital with 1,500 beds, the Mansudae art studio, a comprehensive art studio, and guest houses and appreciated an acrobatic show at Pyongyang circus.

On the [words indistinct], they went to Kaesong adjacent to the Military Demarcation Line (MDL). They visited the Koryo museum and saw the concrete wall built in areas South of the MDL. At Panmunjom, they saw the room where the Armistice Agreement was signed.

**Delegation of Chinese Daily Arrives in Pyongyang**  
*SK0303151795 Pyongyang KCNA in English 1502*  
*GMT 3 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 3 (KCNA)—A delegation of GUANGMING DAILY of China headed by President Xu Guangchun arrived today.

It was greeted by Kim Chong-suk, editor-in-chief of MINJU CHOSON, and Chinese Ambassador to Korea Qiao Zonghuai.

**Kang Sends Greetings to Bulgarian Counterpart**  
*SK0203233395 Pyongyang KCNA in English 2227*  
*GMT 2 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 2 (KCNA)—Kang Song-san, premier of the Administration Council, sent a message of greetings to Prime Minister Zhan Videnov on the national day of Bulgaria.

Expressing the belief that the relations between the two countries would continue to develop on good terms, the message wished him success in the work.

Meanwhile, Foreign Minister Kim Yong-nam sent a message of greetings to Foreign Minister of Bulgaria Georgi Pirinski.

**Vice Premier Hong Meets Australian Delegation**  
*SK0203233595 Pyongyang KCNA in English 2226*  
*GMT 2 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 2 (KCNA)—Vice-premier Hong Song-nam met and had a friendly talk with a delegation of the Korea-Australia Council led by its President Bill Hartley at the Mansudae Assembly Hall today.

Chairperson of the Korea-Australia Friendship Association Chon Yon-ok was present there.

On the occasion, the head of the delegation extended congratulations to His Excellency Kim Chong-il on his 53rd birthday.

"It was a great loss not only for the Korean people but also for the world people that the great leader President Kim Il-song passed away to our sorrow last year," he said.

He stressed that His Excellency Kim Chong-il is wisely guiding the affairs of all spheres, the party, the state and the Army, in Korea today.

**Delegation Leaves for World Meeting in Denmark**  
*SK0403235095 Pyongyang KCNA in English 2301*  
*GMT 4 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 4 (KCNA)—A delegation of the Democratic People's Republic of Korea headed by Vice-president Kim Pyong-sik left here today to participate in the World Summit on Social Development to be held in Denmark.

It was seen off at the airport by Song Ho-kyong, vice-minister of foreign affairs and a councillor of the Chinese Embassy in Pyongyang.

**Kim Chong-il Attends Gymnastic Event 5 Mar**  
*SK0503233295 Pyongyang Korean Central*  
*Broadcasting Network in Korean 2100 GMT 5 Mar 95*

[FBIS Translated Text] Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, has attended the mass gymnastic event "We Will Uphold You Forever."

On 5 March, Comrade Kim Chong-il, the great leader of our party and people, chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army [KPA], and officers and men of the KPA, attended the mass gymnastic event "We Will Uphold You Forever" performed at the Pyongyang Gymnasium.

Comrade Kim Chong-il, the great leader of our party and people, approached the main guest seat while a welcoming music was played. At that moment, a thunderous shouting of hurrahs resounded at the gymnasium, and a sea of flowers of blessings surged.

Comrade Choe Tae-pok, candidate member of the Political Bureau and secretary of the Workers Party of Korea [WPK] Central Committee; Comrades Kim Ki-nam, Kim Kuk-tae, Kim Chung-nin and Kim Yong-sun, members of the WPK Central Committee and secretaries of the party Central Committee; Comrade Yi Ul-sol, member of the WPK Central Committee, member of the party Central Military Commission, and Vice Marshal of the KPA; Comrades Yi Ha-il, Yi Pong-won, and Kim Myong-kuk, members of the WPK Central Committee,

members of the party Central Military Commission and KPA generals; Comrade Kim Ha-kyu, member of the WPK Central Committee and colonel general of the KPA; Comrade Pak Chae-kyong, candidate member of the WPK Central Committee and colonel general of the KPA, and Comrade Pak Myong-chol, candidate member of the WPK Central Committee and chairman of the State Physical Culture and Sports Committee, also sat at the main guest seats.

The mass gymnastic event "We Will Uphold You Forever" performed by youths and students in Pyongyang, vigorously displayed the firm faith and will of our people and military to carry to accomplishment the socialist cause—the chuche revolutionary cause—by following our party's leadership and by demonstrating the might of singlehearted unity.

With its lofty ideological and artistic nature, refined technique, and organizational character and discipline, the gymnastic event won the highest praise from the audience.

As the gymnastic performance ended, a thunderous shouting of cheers burst again at the site, the hall overflowed with deep emotion and joy, and surged with waves of flowers.

Comrade Kim Chong-il held up his hands and congratulated the performers for their successful show. He sent a warm response to officers and men of the People's Army who enthusiastically cheered at him.

#### KCNA Version of 'Mass' Display

SK0603042495 *Pyongyang KCNA in English 0404*  
GMT 6 Mar 95

[FBIS Transcribed Text] Pyongyang, March 5 [date as received] (KCNA)—The great leader of our party and our people Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army [KPA], today saw the mass gymnastic display "We Will Uphold Him Forever" at the Pyongyang indoor stadium, together with KPA officers and men.

Comrade Kim Chong-il appeared in the box amid the playing of the welcome music.

The moment, a storm of cheers "hurrah" shook the hall and a sea of flowers of best wishes was spread.

The box was also taken by Choe Tae-pok, alternate Politburo member and secretary of the Central Committee of the Workers' Party of Korea [WPK]; Kim Ki-nam, Kim Kuk-tae, Kim Chung-nin and Kim Yong-sun, members and secretaries of the WPK Central Committee; KPA Vice Marshal Yi Ul-sol, member of the WPK Central Committee and member of the Central Military Commission of the WPK; KPA Generals Yi Ha-il, Yi Pong-won and Kim Myong-kuk, members of

the WPK Central Committee and members of the Central Military Commission of the WPK; KPA Colonel General Kim Ha-kyu, member of the WPK Central Committee; KPA Colonel General Pak Chae-kyong, alternate member of the WPK Central Committee; and Pak Myong-chol, alternate member of the WPK Central Committee and chairman of the State Commission of Physical Culture and Sports.

The mass gymnastic display performed by school youth and children in Pyongyang powerfully demonstrated the unshakable faith and will of the Korean people and Army to carry to completion the revolutionary cause of chuche, the cause of socialism in singlehearted unity under the leadership of the Workers' Party of Korea.

The display was warmly acclaimed by the spectators for its high ideological and artistic value, refined skill, organisation and discipline.

At the end of the display, a storm of cheers burst forth again and waves of flowers rolled on in the hall, crucible of emotion and jubilation.

Comrade Kim Chong-il waved to the school youth and children on their successful performance and warmly acknowledged the enthusiastic cheers of KPA officers and men.

#### Foreign Leaders Send Kim Chong-il More Messages

SK0303051395 *Pyongyang KCNA in English 0414*  
GMT 3 Mar 95

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, March 3 (KCNA)—The great leader Comrade Kim Chong-il received messages of greetings from foreign party leaders on his birthday.

The messages came from Ali Hassan, general secretary of the Supreme Council of the Nationalist Socialist Party of Syria in Lebanon; Huudu Yahaya, general secretary of the National Democratic Congress of Ghana;

Alvaro Vasquez del Real, general secretary of the Central Committee of the Communist Party of Colombia; general secretary Renan Raffo Munoz and international secretary Guillermo Herrera Montecinos of the Central Committee of the Peruvian Communist Party; Guzman Rivera Castaneda, general secretary of the Socialist Revolutionary Party of Peru; Javier Diaz Canseco, general secretary of the Mariateguista United Party of Peru; Victor Sanchez Bilagra, Chairman of the February Revolutionary Party of Paraguay; Miroslav Grevenicek, chairman of the Central Committee of the Czech-Morava Communist Party; Gustavo Marquez Marin, chairman of the Movement to Socialism of Venezuela; Eric Sealy, leader of the People's Pressure Movement of Barbados; Leslie Ramsammy, leader of the United Republican Party of Guyana; Peter Persaud, leader of

the Amerindian Action Movement of Guyana; Llewelyn John, leader of the People's Democratic Movement of Guyana; and Rupert Roopnarine, co-leader of the Working People's Alliance of Guyana.

The messages extend warmest congratulations to Comrade Kim Chong-il and wish him a long life in good health.

The messages express the belief that the friendly relations between their parties and the Workers' Party of Korea, their peoples and the Korean people will continue to develop.

Comrade Kim Chong-il received a message of greetings also from the Central Committee of the Communist Party of Slovakia on his birthday.

#### **Chinese Delegation Visits Kim Il-song Statue**

*SK0403052495 Pyongyang KCNA in English 0421 GMT 4 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 4 (KCNA)—A delegation of GUANGMING DAILY of China headed by its President Xu Guangchun on March 3 laid a floral basket before the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang and made a bow.

The head of the delegation said that President Kim Il-song was not only the great leader of the Korean people but also an intimate friend of the Chinese people.

He expressed the belief that the Korean people would successfully implement the behests of the great president, rallied around the great leader Comrade Kim Chong-il.

#### **National Meeting of Livestock Breeders Held**

##### **Kang Song-san, Choe Kwang Attend**

*SK0403052395 Pyongyang KCNA in English 0426 GMT 4 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 4 (KCNA)—A national meeting of active livestock breeders was held in Pyongyang on March 2 and 3.

The meeting reviewed achievements and experiences gained in the implementation of the stockbreeding policy of the Workers' Party of Korea and in assistance to the People's Army in the past and discussed matters of improving the living standard of the people and increasing the combat power of the People's Army by invigorating this work in response to the requirements of the developing reality.

Present at the meeting were Premier of the Administration Council Kang Song-san, Vice-president Pak Song-chol and chief of the General Staff of the Korean People's Army Choe Kwang, members of the Political Bureau of the Central Committee of the Workers' Party

of Korea, and officials concerned as well as model workers and labour innovators in livestock breeding.

Premier Kang Song-san conveyed a message of thanks of the Central Committee of the Workers' Party of Korea to the participants in the national meeting of active livestock breeders who had set examples in assisting the People's Army.

Kim Won-chin, chairman of the State Agricultural Commission, delivered a report, which was followed by speeches.

The reporter and speakers said that the meeting would mark an important occasion in fully displaying the validity and vitality of the stockbreeding policy of the Workers' Party of Korea and demonstrating the unshakable faith and will of the Korean people and the livestock breeders always to share the destiny with the party.

They vowed to accomplish the revolutionary cause of chuche, closely united around the great leader Comrade Kim Chong-il, true to the behests of the fatherly leader President Kim Il-song.

They also pledged to bring about a new turn in the development of animal husbandry and make a positive contribution to the increase of the defence capabilities of the country.

A letter of pledge to Comrade Kim Chong-il was adopted at the meeting.

##### **Pak Song-chol, So Kwan-hui Attend**

*SK0403055195 Pyongyang KCNA in English 0433 GMT 4 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 4 (KCNA)—A ceremony for awarding state commendations and gifts to the participants in the national meeting of active livestock breeders took place in Pyongyang on March 3.

Present there were Pak Song-chol, member of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK] and Vice-President, So Kwan-hui, secretary of the WPK Central Committee, and officials concerned.

At the awarding ceremony, citations of the great leader Comrade Kim Chong-il were awarded to an farmer and an official and orders and medals of the republic to many participants. The recipients have laid solid material and technical foundations of stockbreeding industry in the revolutionary spirit of self-reliance, produced a large quantity of meat and assisted the people's army well and thus contributed to bringing the traditional traits of army-people unity into full bloom.

Gifts of Comrade Kim Chong-il, supreme commander of the Korean People's Army, were also conveyed to the entire participants.

The speakers at the awarding ceremony expressed their determination to make positive contributions to making the country, the motherland more prosperous by steadily increasing livestock output and continuously assisting the People's Army well, upholding the behests of the fatherly leader President Kim Il-song and the noble intention of the great leader Comrade Kim Chong-il.

### **Daily Stresses Chuche Idea as Nation's Life**

SK0603100395 *Pyongyang NODONG SINMUN in Korean 2 Feb 95 p 2*

[Article by No Yong: "The Chuche Idea is Our Nation's Life"]

[FBIS Translated Text] Our people are vigorously advancing along the road indicated by the chuche idea created by the great leader [suryong] Comrade Kim Il-song.

The chuche idea is the immortal revolutionary banner leading the revolution and construction to victory and is the everlasting lifeline of our nation. Without the chuche idea, no one can think of the lofty honor and dignity that our nation is enjoying today and of our fatherland's boundless prosperity and development. Through experience in a practical life over a long period of time, our people came to keenly realize the greatness of the chuche idea, and came to have firm faith that when they advance by following the banner of the chuche idea, they can brilliantly pioneer the destiny of the nation by breaking through all trials and difficulties.

Our nation and people are unswervingly fighting by upholding the banner of the chuche idea in firm unity with one intention and one will around the great leader [yongdoja] Comrade Kim Chong-il. Unfolded before us is an endlessly bright future.

1. The 20th century is illuminating as the annals during which our nation, freeing itself from the destiny of a small and weak colonial nation which was trampled underfoot, oppressed and contemptuously treated by the imperialists, became a most powerful and dignified country that advances by grasping its destiny in its own hands. During this period, our nation effected a historic turning point from the position as a century-long backward country to that of an advanced and civilized nation, which pioneers the future of mankind at the van of the time. This is, all in all, the precious fruition achieved by the chuche idea created by the great leader Comrade Kim Il-song.

The chuche idea is the revolutionary idea that rescued our nation and raised our nation's position onto the highest condition. It is the great guiding ideology that has unfolded the golden age of our nation.

The great leader [yongdoja] Comrade Kim Chong-il has pointed out: The chuche idea is the unitary guiding idea of our revolution and is the life of our nation.

The nation's greatness lies in the greatness of its guiding ideology.

For one to brilliantly pioneer the nation's destiny, one should have a precise guiding ideology. The guiding ideology is a lighthouse illuminating the road for a nation to advance and is a mighty weapon enabling the nation to achieve its prosperity and growth by strengthening the nation's driving force in every way. Therefore, the nation's development and people's future totally depend on the guiding ideology that is leading the nation and the people. Only when the nation is led by the great guiding ideology, can it become a proud nation capable of creating great history.

With the creation of the immortal, everlasting chuche idea at an early date by the great leader Comrade Kim Il-song, our nation became a most dignified and proud nation that brilliantly pioneers its own destiny with a great guiding ideology.

From the outset, our people have been a homogeneous people who inherited the same blood from ancient times and who lived on the same land with the same language and same culture. Our people are sagacious people with a 5,000-year-long history and with an excellent culture and tradition. However, with the beginning of the 20th century, our people were reduced to colonial slaves of the imperialists and had to suffer various kinds of national ordeals and pains. What saved our nation when its destiny was about to vanish was the chuche idea created by the great leader Comrade Kim Il-song. The chuche idea also elucidated the road for our people to advance.

The creation of the chuche idea was a great historic event which opened the highest stage in the development of the revolutionary idea of the working class and which effected a basic turn in shaping our nation's destiny.

The chuche idea is an ideology that appeared reflecting the demand of the new historic era in which the popular masses emerged as the master of their fate. It is also an ever-victorious banner leading the revolution and construction of our era along the unerring road. Through struggle by regarding the chuche idea as a guiding principle, it was possible for our people to overcome influences of all kinds of outdated ideology, including flunkeyism and dogmatism that have been handed down for a long period of time; highly manifest the spirit of national independence; and successfully progress revolution and construction through their own strength according to their unique faith. It was possible for our people to be victorious by overcoming all kinds of barriers and trials and magnificently build our own style of socialism centered on the popular masses in any complicated situation without the slightest wavering, because they carried out the struggle by regarding the chuche idea as a guiding principle. It was possible for our country to glorify the chuche socialist fatherland due to the chuche idea and our nation displayed the glory of a great nation living and struggling with the great guiding ideology.

History and reality show that the chuche idea becomes our nation's eternal life. The fact that the chuche idea is our nation's life signifies that this ideology is a guiding principle elucidating the road which the nation must move toward generation after generation; a revolutionary provision in which the whole nation must struggle by regarding it as a faith; and a weapon of struggle providing the most independent and creative happy life. Without the chuche idea, our nation cannot live and prosper.

The chuche idea is a great guiding ideology most correctly elucidating the future road of our nation.

The greatness of the guiding ideology lies in giving the most correct answer in the question of the nation's fate. In essence, the question of the nation's fate is the question of the nation's independence. The nation's fate is dependent on whether we have independence and how it is advocated and realized. As when people lose independence, it is the same as being dead, the nation cannot think about its existence and development apart from independence.

The chuche idea is a thoroughly independent ideology. The main basis in making the chuche idea a great guiding ideology opening the nation's course lies in elucidating the road of advocating independence and realizing independence. The chuche idea, which is based on the philosophical principle that people are masters of everything and decide everything, gives the most scientific and revolutionary world view and presents revolutionary theory and strategy and tactics by putting the working popular masses in the center who are the masters of revolution and construction. By embracing this ideology, with the awareness of being the master of the revolution, the people are able to highly display infinite creativity, thus making it possible to vigorously carry out the struggle to pioneer the nation's fate.

The chuche idea is an encyclopedic ideology able to solve any theoretical and practical problems and is an all-purpose weapon. This ideology is a complete theory comprehending national liberation, class liberation, and human liberation, and a completed communist revolutionary theory comprehending the theory on social reform, nature remaking, and human remolding. The socialist and communist society that we are building is based on the chuche idea and is a society modeled after the chuche idea in which the chuche idea is wholly embodied. With the creation of the chuche idea, it was possible for our nation to have its own philosophy, and a correct guiding ideology, guiding theory, and guiding method moving toward socialism and communism.

The chuche idea became a brilliant beacon in the struggle to pioneer our nation's fate, and most correctly led the revolution and construction according to the new road on which no one has ever walked before without the slightest deviation, twists, or turns.

The road of our revolution was rugged and complicated, and numerous new problems were brought up before us

which could not be solved by the existing formula. We initiated the revolution in the underdeveloped colonial semifeudal society, and had to build socialism under the condition in which the country was divided between the North and the South and everything was destroyed. The prescription for our nation was not to be found in any existing experience or existing theory. Moreover, after the building of the socialist system, we could not pioneer the unfamiliar road of socialist construction with the existing theory.

Because our people waged the struggle making the chuche idea their firm guiding policy and following the road directed by the chuche idea, they could advance through the shortest way and win the great victory to the admiration of the world in the struggle for independence, sovereignty, and socialism. Our nation is the nation which pioneered the most precise road for the colonial national liberation under the banner of the chuche idea, and a proud nation that traversed the shortcut to socialism. Our nation is the nation that created the new life of the superior socialism, which the people of the world highly praise as the most ideal socialism, and a dignified nation that takes the lead in pioneering the future of mankind under the banner of socialism. Because the great chuche idea resplendently brightens the future of our nation, we will be able to victoriously advance in the future along its clear road without the slightest deviation.

The chuche idea is the mighty banner of struggle that enables our nation to strengthen the main force of the revolution in every way and pioneer its destiny by the strength of the nation.

The nation is a solid group of the people who were formed and developed historically, and a unit of social life. Historically, people jointly pioneered their destiny with the country and the nation as a unit, and are following this road today as well. Under the condition in which the destiny of the popular masses is pioneered with the country and the nation as a basic unit, unless we strengthen the independent strength of the nation, we cannot solve the problem of defending the national sovereignty or achieving the country's growth and prosperity. The future of the nation and the dignity of the nation depend on how powerful and strong a nation it prepares itself to be, and this is determined by its guiding ideology. The greatness of the guiding ideology lies in nurturing and bringing into full play the nation's strength.

The chuche idea is the idea that made our nation the strongest and most dignified nation. The chuche idea not only illuminates the course for the nation to follow, but provides it with mighty strength and powerful chuche. Because of this, the chuche idea makes it possible to display national dignity and might.

The chuche idea elucidates that the popular masses can become the independent main force of history pioneering their destiny independently and creatively when they are united around the party and the leader.

Although the popular masses are the main force of history, they cannot spontaneously become the independent main force of the revolution. The main force of the revolution is the unified body of the leader, the party, and the masses and can only become a sociopolitical living organism when it is firmly united with the leader [suryong] as its supreme intelligence and centered around the party. The leader is the center of life of the sociopolitical group, and the popular masses should be united with the leader in terms of organization, ideology, and comradeship so that they can have the everlasting sociopolitical life. This is an important principle elucidated by the chuche idea. Because the chuche idea elucidates the principle on the main force of the revolution and the theory on the sociopolitical living organism centering around the leader, it becomes the mighty revolutionary ideology that enables the popular masses to become the strong main force of the revolution and the militant banner that enables them to achieve true unity and brilliantly pioneer their destiny with the strength of national independence.

Anyone who treasures the country and the nation and who thinks of the future of the nation, accepts the chuche idea as their vital demand and strongly unites around the leader [suryong] who cultivates the destiny of the nation. Truly, the chuche idea is a powerful ideological and spiritual source that strongly arms people with a revolutionary outlook on the leader [suryong] and leads them to uphold him as the center of unity. The cause of making the leader [suryong], the party, and the masses into a social and political organism can be carried out by the chuche idea, and the task of solving all problems in cultivating the destiny of the nation can be carried out brilliantly by the chuche idea, too. The greatness of the chuche idea is the might of the main forces of the revolution, and this might enhances the dignity and might of the nation.

The chuche idea has built powerful main forces in the Korean revolution and vigorously led them to brilliantly cultivate the destiny of our nation.

Our revolution's situation at home and abroad is very complicated, and our people have a heavy and vast task. Reality demands that our people always push ahead with the revolution and the construction of national strength. This is a vital demand.

Our people have been able to strongly unite around the party and the leader [suryong], overcome all difficulties and trials, and vigorously accelerate the march toward socialism by strongly arming themselves with the chuche idea. This course is evident in the proud annals in which the might of unity among the leader [suryong], the party, and the masses and that of the main forces of the revolution were demonstrated, and in which the strength of our nation was displayed. Our people are the proudest people, defeating the two powerful imperialist enemies on the strength of the main forces of the revolution and displaying their national dignity and heroic spirits. They

are also the most powerful people, creating the great Chollima upswing from ashes and building a rich and powerful socialist country of independence, self-sufficiency, and self-reliant defense.

The main forces of the revolution will become invincible when the people arm themselves with resolute revolutionary spirits. The chuche idea is the most revolutionary nutrition that enables our people to see and judge everything from the perspective of chuche and resolutely adhere to the revolutionary principles. Today our people are strenuously walking along the socialist road, while crushing all challenges from the imperialists with a revolutionary belief. Because they take the great chuche idea as their belief, our people, in the future as well, will overcome any difficulty on the powerful strength of chuche, brilliantly cultivate the nation's future, and endlessly create the history of national prosperity.

The chuche idea is not only the life of our nation, but a universal guiding idea that most correctly reflects the demands of our era.

A guiding idea will have eternal vitality when it correctly reflects the demands of the era and the aspirations of the people.

Ours is the era of independence. Our era's basic trend is that people demand independence and that numerous countries and nations are walking along the road of independence.

The chuche idea is the guiding idea of our era because it most scientifically reflects the people's aspirations for independence and clearly elucidates the road of achieving independence for the people. Our era when the revolutionary movement is carried out separately and diversely in different countries or nations demands that people of each country fulfill their role as masters of the revolution. This is a more urgent issue under circumstances in which there is the influence of such wrongful ideas as toadyism and doctrinism. If some countries, instead of pursuing toadyism, had built strong main forces in revolution and construction and strongly prepared the popular masses as powerful main forces, they would not have brought the grave consequence of destroying socialism. By elucidating the way to independently, creatively carry out the revolution, the chuche idea enables people of different countries to free themselves from the yoke of various outdated ideas that block them from independently developing themselves; assume responsibility as masters of the revolution; map out lines and policies suitable to their views, beliefs, and realities; and carry out the revolution with their own creativity. Because the chuche idea has elucidated the way to independently, creatively carry out the revolution, the people have been able to wage, with confidence in victory and fighting spirits, the struggle to cultivate their destinies on their own. Today, the chuche idea has won the hearts of progressive mankind and is vigorously pushing them along the single road of chuche. This clearly proves that the chuche idea is great and just.

The *chuche* idea is the source of our nation's greatness and invincibility and is the immortal victorious banner of the popular masses in shaping their destiny. If there were no *chuche* idea, our nation would not have been able to free itself from the situation of colonial slaves of the imperialists, to build the wealthy and powerful socialist state of today, and to advance by highly upholding the banner of socialism. When we compare the past with today's reality, we come to keenly realize that the *chuche* idea is the best, and that survival of our nation and its endless prosperity and development lie on the road of advancing by upholding the banner of the *chuche* idea.

2. Thanks to the energetic activities and guidance of the great leader Comrade Kim Chong-il, the *chuche* idea is displaying boundless might and vitality in the struggle to shape our nation's destiny.

The great leader [suryong] Comrade Kim Il-song has taught: With uncommon research ability and energy, Comrade Kim Chong-il is carrying out ideological and theoretical activities, and is glorifying our party's *chuche* idea to be a great guiding ideology of the era of independence.

The nation's precise guiding ideology is to be created by the leader [suryong] who leads the nation's destiny. It is to be inherited and firmly maintained by the leader [yongdoja] who is endlessly loyal to the leader [suryong]. The generation of a nation is the very generation of ideology. It is to be firmly inherited by the leader [yongdoja]. History showed that even if a nation has had a correct guiding ideology, the nation had to suffer frustration and failure and fall in subordination and subjugation if it failed to uphold the leader of the nation who is able to brilliantly succeed in the guiding ideology and bring it to rich fruition. If the guiding ideology is called the life of a nation, the savior of the nation, who protects its life to the end, is the great leader [yongdoja] who is the genuine successor to the leader [suryong]. A nation upholding such an outstanding leader is a nation blessed with leaders over generations.

Because we are upholding the great leader [yongdoja] Comrade Kim Chong-il—the great ideological master and genius of the revolution—at the van of our fatherland and people, the *chuche* idea, created by the great leader [suryongnim], is illuminated as an everlasting lifeline of our nation and as an indomitable military banner.

Mr. Kim Hyong-chik, the indomitable revolutionary fighter, put forward the idea of *chiwon* [lofty aims] at an early date. This idea had been brilliantly inherited and developed into the *chuche* idea by the great leader Comrade Kim Il-song. This great revolutionary idea has been further developed and enriched at a new higher stage by the great leader [yongdoja] Comrade Kim Chong-il. Because the generation of ideology has been firmly inherited, the generation of the nation and the generation of revolution have been firmly maintained.

The great leader Comrade Kim Chong-il is standing at the van of the revolution with a profound idea to endlessly glorify our nation to be the *chuche* fatherland where the *chuche* idea is comprehensively embodied. Throughout the entire period of revolutionary activities, he devoted everything to tenaciously defend and protect the *chuche* idea and to comprehensively reflect this idea in the revolution and construction. Our nation's guiding ideology was in the past, is today, and will be in the future the only *chuche* idea created by the great leader [suryongnim]. It is the firm will of the great leader [yongdoja] Comrade Kim Chong-il that only when we advance under the banner of the *chuche* idea, can we achieve the nation's everlasting prosperity and development. The great Comrade Kim Chong-il is shaping the nation's destiny only under the banner of the *chuche* idea. His leadership is reaching out more warmly since the fatherly leader passed away.

"Let us all the more firmly arm ourselves with the great leader Comrade Kim Il-song's revolutionary idea!" The slogan which has been set forth by the respected and beloved Comrade Kim Chong-il contains his lofty will to endlessly glorify the *chuche* idea as the guiding idea and our people's invariable intention to have absolute faith in the *chuche* idea and to realize the national prosperity and development under its banner. By thoroughly embodying this slogan, the great leader [yongdoja] Comrade Kim Chong-il is wisely leading the struggle to make the country more rich and powerful.

What is most important in the leadership of the great leader [yongdoja] Comrade Kim Chong-il, who brilliantly pioneers the national destiny under the banner of the immortal *chuche* idea, is that he leads the struggle to staunchly defend the national sovereignty and to glorify it generation after generation under whatever circumstances.

Endeavoring to take its destiny into its own hands and to pioneer the destiny by itself is our nation's distinctive attribute and noble rights. As to every nation, the question regarding sovereignty is a fundamental issue linked with the nation's life and death. There cannot be a slight retreat nor concession as long as this issue is concerned. Today's complicated situation in which the nation's dignity is trampled upon by the imperialist aggressive forces, and in which other tragic incidents take place one after another shows that the struggle to defend the national sovereignty should be put up as the most significant task in the nation's history and that great efforts should be concentrated on this.

Solving all the problems arising before the revolution and construction by itself and subordinating everything to the interests of its country's revolution and people are fundamental demands of the *chuche* idea. Among mankind's most advanced ideas, there is no idea that can perfectly resolve the issue on the national sovereignty like the *chuche* idea can. This is why all our fellow countrymen hold the *chuche* idea precious as if it is their life and see their future in the *chuche* idea.

During the entire period in which the great leader [yongdoja] Comrade Kim Chong-il led the revolution and construction, he always poured out his heart to defend the national sovereignty and to embody the principle of independence in all fields.

"Let us live our own way!" This slogan contains the great leader [yongdoja] Comrade Kim Chong-il's unshakable determination and will to solve all problems creatively and independently and live with our principle under whatever circumstances. With such unfaltering determination and will, the great leader [yongdoja] Comrade Kim Chong-il carried out not only the construction of the party and regime but also the construction of economy and culture in our own way and led the military works and foreign works also in our own way. Not a single policy nor line in all fields, including politics, economy, military, and culture, which have been set forth by our party in the historic march to imbue the entire society with the *chuche* idea has been based on others' experience or existing theory. In addition, not a single work of remaking nature, remodeling the individual, and reforming society has been carried out by lending others' help. Such an immovable independent position of our party has remained invariable even at a time when numerous countries followed the manner [pung] of the big powers and adopted the revisionism in every field of social life and, thus, ruined the revolution and construction. Today, our country, our nation, has become a dignified country of independence which maintains its sovereignty in the international arena, unyielding to others' pressure or offensive, and a proud nation which highly displays the nation-first spirit in every field under the slogan, "Let us highly display the Korean nation-first-spirit and be proud of the distinctive national characteristics as the descendants of Tangun." This is a fruition of the tested leadership of the great leader [yongdoja] Comrade Kim Chong-il who ardently defends the national sovereignty.

Because the great leader Comrade Kim Chong-il led them, our people were able to firmly maintain national sovereignty in the acute political and military confrontation with the imperialists in which no shooting war is fought. In recent years, the situation surrounding our country has been very tense, and our nation was faced with a great challenge in which the supreme national interest was at stake. Without the thorough faith in independence and the bold will of the great leader Comrade Kim Chong-il that the right of choice is held not only by the major power but by us as well and that no matter how many times the world changes and whatever dear price we have to pay, we can never have our national dignity impaired, our people would not have overcome the stern trial. The victory we won in the confrontation with the imperialists was the victory of the *chuche* idea after all, and the victory of the spirit of independence of the great leader Comrade Kim Chong-il who embodies it brilliantly.

Another important thing in the leadership of the great leader Comrade Kim Chong-il, who brilliantly pioneers

the national destiny under the banner of the immortal *chuche* idea, is that he has led our nation confidently to the true road of growth and prosperity and to socialism.

There has not been a nation in the history of the world that did not desire national growth and prosperity, a strong country, and a strong army. The question is in what way the nation is to achieve its growth and prosperity. Today, when history has proven that the capitalist road is the road of exploitation, oppression, subjugation, and ruin, the only way to true independence and prosperity of the country and the nation is socialism.

The *chuche* idea and the *chuche* socialist theory set forth by it have clearly elucidated the way to building true people-oriented socialism for the first time and comprehensively put forth the theories and methods for achieving national growth and prosperity in all fields.

The great leader Comrade Kim Chong-il has devoted his all to building the most superior our-style socialism in this land in which the popular masses' historical yearning is brilliantly realized based on the profound principle of the *chuche* idea. His unmatched energetic devotion to make our country richer and stronger and to develop is connected with his boundless loyalty and devotion to the cause of socialism. Because we have had this energetic leadership, we have built a most superior prosperous socialism—in which the popular masses are the masters of everything and in which everything serves the popular masses—in the land of our country which boasts the 5,000-year national history. Now we have the independent government capable of achieving national prosperity forever and the strong self-reliant national economy, as well as the strong self-defending military power capable of defending the national destiny under any condition. At the same time, the socialist political method, based on the relations of love and trust, has been firmly established, and excellent socialist national culture and a sound way of life prevail in the entire society.

In particular, because the great leader Comrade Kim Chong-il ensured the intensification of the political and ideological indoctrination for the people based on the ideological theory as demanded by the *chuche* idea, our nation's spiritual trait has changed greatly, and all the party members and working people thoroughly make socialism their belief and morality. This is the fundamental key to our nation's achieving a prosperous country and a strong army.

On earth today there are quite a few nations which have to tread the road of poverty, subjugation, discord, and dispute because they have abandoned socialism. However, our people, who are raising aloft the banner of the *chuche* idea, are highly displaying their dignified appearance as a wise nation which is continuously creating new socialist life in the revolution and construction and as a powerful nation which is adhering to the banner of the revolution, the banner of socialism to the end. Witnessing this contrasting reality, our people are aware deeply in their hearts of the great fortune they are blessed

with in upholding the great national leader [minjogui yongsu] who leads the country and the nation along the true road of growth and prosperity and socialism with his chuche-shining wisdom and ever-victorious leadership.

What is also important in the leadership of the great leader [yongdoja] Comrade Kim Chong-il, who is pioneering the destiny of the nation under the banner of the chuche idea, is that he has wisely led our people to achieve true cohesion and unity.

The might of the nation lies in their unity. If we are scattered, we will embark upon the road of the country's ruin. However, if we are united, we will embark upon the road to prosperity. This is the principle of the nation and a lesson shown throughout the history of the nation. Thus, the chuche idea elucidates the road for carrying out the struggle based on the consolidated might of the nation, giving top priority to the interests of the nation. The view of the nation newly elucidated by the chuche idea is to safeguard and achieve the nation's independence as well as achieve the nation's common prosperity by uniting all people as one, regarding the nation's independence as its life.

Today, the great leader [yongdoja] Comrade Kim Chong-il is energetically leading the struggle to brilliantly achieve the cause of the reunification of the fatherland under the banner of the great unity of the nation. Implanted in all his struggles and activities for the great unity of the nation are such ideas as individuals and the class can exist only if the nation exists; differences in systems, ideas [asang], ideologies [inyom], and political views which are formed momentarily can never become obstacles to achieving the nation's common cause; and reunification is patriotism, but separation is a nation-selling act. Such a great principle of the great unity of the nation is becoming an ideological banner that makes all countrymen in the North, South, and overseas firmly unite as one under the banner of national reunification. Even people who have a different political view from ours, and who at one time committed unforgivable crimes against our nation, opposing the reunification of the country, have now embarked upon the patriotic road to achieve national reunification, separating themselves from their shameful past. This clearly shows the justice and vitality of the line of the great unity of the nation as elucidated by the chuche idea.

Today, our people are faced with a historic cause for achieving national reunification by ending the long history of national division that has lasted for almost half a century. Reunification in the 1990's was the greatest desire of the fatherly leader [suryong] during his lifetime, as well as the unanimous aspiration of all fellow countrymen. As long as the great chuche idea, the life of the nation, exists, and as long as the great leadership that brilliantly embodies the chuche idea exists, our people will surely achieve their historic cause.

The eternal course upon which our people should embark is the road of victory and glory elucidated by the great chuche idea.

We should strongly arm ourselves with the leader's [suryong] revolutionary idea, the chuche idea, as befits fighters of the great leader [suryong] and sons of the great leader [suryong]. We should also safeguard and adhere to the chuche idea forever as the lifeline of our nation, making it our bones and flesh.

The great leader [yongdoja] Comrade Kim Chong-il is the guiding sun of our nation who elucidates the future road of our nation with his glorious rays of chuche. The respected and beloved Comrade Kim Chong-il's ideological theory is the great ideological theory that has safeguarded, adhered to, developed, and enriched the chuche idea. His leadership is the revolutionary leadership that will achieve the final victory of the chuche idea. Our people adhere to the chuche idea, regarding it as the life of our nation. This indicates that they faithfully uphold the respected and beloved Comrade Kim Chong-il's idea and leadership.

By so doing, our fatherland will forever be glorified as the "fatherland of the chuche idea." Our people will highly display the dignity and honor of the nation with the revered name of the nation of Tangun and the great leader [suryong] for generation after generation.

Like the glorious torch of the Chuche Idea Tower that rises high in the sky of the fatherland, the immortal chuche idea will brilliantly elucidate the future road of our fellow countrymen today and tomorrow.

## South Korea

### Yi Distributes Booklet on KEDO Contract

SK0603083595 Seoul YONHAP in English 0816 GMT  
6 Mar 95

[FBIS Transcribed Text] Seoul, March 6 (YONHAP)—The contract for the establishment of an international consortium for the provision of two light-water nuclear reactors to North Korea will clearly specify that the consortium aims to finance and supply two South Korean standard model nuclear plants each with the capacity of about 1,000 megawatts, a senior Foreign Ministry official said Monday [6 March].

The contract for the Korean Peninsula Energy Development Organization (KEDO) will also stipulate that another aim of the KEDO is to complete tasks related to the provision of alternative energy to North Korea and the implementation of the agreed framework between Pyongyang and Washington on Pyongyang's nuclear program, Vice Foreign Minister Yi Si-yong said.

Dismissing reports that the main contractor for the light-water nuclear reactors to be provided to North Korea will be an American company with South Korean firms as subcontractors, Yi said the contract to be signed Thursday in New York clearly shows that South Korean firms will be the main contractor for the light-water nuclear reactor project.

Yi also said that the government will continue to make concerted efforts with the United States and Japan to persuade North Korea to accept the Korean standard model reactors, although the North has failed to show any change in its opposition to the South Korean models.

According to a booklet on the results of the three-way negotiations for the KEDO establishment distributed by Yi to the National Assembly Foreign Affairs and National Unification Committee, the KEDO contract calls for the North to guarantee that the reactors, nuclear materials, equipment and technology will be provided for the sole purpose of peace.

The booklet contained a broad outline of the contract to be signed Thursday and the full text will be released just after the contract is signed officially, according to Yi.

The KEDO will have an executive board as the highest decision-making body which will consist of three representatives, one each from South Korea, Japan and the United States, said Yi.

A chairman of the Executive Board with a two-year term will be elected from the three representatives and all decisions on the operation of the KEDO will be made through a consensus, said Yi.

Decisions made by the Executive Board will be carried out by the secretariat of the KEDO which will have an executive director and two deputy executive directors, said Yi who added that the first executive director with a two-year tenure will be an American official while his two deputies will be a South Korean and a Japanese.

He, however, said that the three countries have never set on who will head the secretariat after the first executive director finishes his term, hinting at the possibility that South Koreans could become the next head of the KEDO secretariat.

The General Assembly of the KEDO will have an annual full session to discuss activities of the KEDO and extraordinary meetings to discuss agenda raised by the executive board, said Yi.

The assembly, however, cannot make any decisions on the operation of the KEDO but examines the annual report presented by the Executive Board and issues recommendations to the Executive Board, said the vice foreign minister.

Yi expected that over 20 countries will attend the meeting in New York Thursday for the signing of the KEDO contract but added that not all the participants will be members of the General Assembly of the KEDO.

#### **Light-Water Reactor Team Director Interviewed**

*SK0403070295 Seoul CHUNGANG ILBO in Korean  
4 Mar 95 p 7*

[Interview with Choe Tong-chin, director of the ROK Team for Light-Water Reactor Planning, by Washington-based correspondent Kim Yong-il; place and date not given]

[FBIS Translated Text] [Kim] Which specific countries will be participating in the meetings to inaugurate the Korean peninsula Energy Development Organization (KEDO)?

[Choe] The countries are Australia, New Zealand, and the Philippines from Asia; the United Kingdom, Germany, and Italy from Europe; and Canada, Kuwait, and the United Arab Emirates. Thus, about 20 countries or so will participate.

[Kim] Which country is the principal contractor for the supply of light-water reactors?

[Choe] The ROK is, of course. No concessions can be made on this matter.

[Kim] Has there been any change in the fact that the light-water reactors will be ROK-style?

[Choe] KEDO will conclude an agreement with North Korea on the supply of light-water reactors. The most fundamental factor in the supply agreement is the type of reactors. In other words, the question to determine the reactor type should be clarified. The reactor type that will be adopted in this supply agreement will be, of course, "ROK-standard style ones."

[Kim] Will the term "ROK-style reactors" be specified in the KEDO's inauguration agreement?

[Choe] The ROK-standard style reactors will be referred to appropriately in the inauguration agreement.

[Kim] If the ROK becomes the principal contractor, can it have a third country, such as the United States, as a subcontractor?

[Choe] Of course, it can. The light-water reactors construction project is very complicated and requires plenty of technology and a lot of facilities. There is no choice but to divide this kind of job between countries.

#### **President, Kohl Discuss DPRK Reactor Issue**

*SK0603122395 Seoul YONHAP in English 1214 GMT  
6 Mar 95*

[FBIS Transcribed Text] Bonn, March 6 (YONHAP)—South Korean President Kim Yong-sam and German Chancellor Helmut Kohl shared the view Monday that preventing North Korea from developing nuclear weapons is essential for peace and stability on the Korean peninsula, therefore the North Korea-U.S. nuclear agreement reached in Geneva last October must be earnestly carried out.

Kim solicited Kohl at a meeting here on Monday afternoon local time for German interest and participation in the Korean Peninsula Energy Development Organization (KEDO), tasked with providing light-water nuclear reactors to North Korea. Kohl said he would positively study the matter.

The two leaders, noting German reunification and European integration would serve as a good lesson for Korean reunification, agreed to continue close cooperation between South Korea and Germany.

Touching on North Korea's offer to normalize its relations with Germany, Kim said he did not oppose it in principle, adding, however, that full implementation of the Geneva accord and resumption of the suspended inter-Korean dialogue must be preceded by North Korea-Germany rapprochement.

He then stressed the need for Germany to have prior consultations with South Korea in this connection, and Kohl, concurring with Kim's view, said Germany would support South Korea's position on North Korea-Germany rapprochement.

Favorably commenting on the joint Korea-European Union (EU) communique announced in Paris during Kim's visit there last week, they agreed to mutually strive to ensure closer Korea-EU cooperation, vowing to cooperate each other to help conclude a basic Korea-EU cooperation treaty.

Asking for German support for South Korea's bid to join the Organization for Economic Cooperation and Development (OECD), President Kim insisted that mutual efforts be made to balance and expand bilateral trade, to which Chancellor Kohl responded favorably.

Kohl hoped for German businesses' participation in South Korean infrastructure projects such as the Yongjong Airport construction and urban maglev trains. Kim welcomed the proposal.

The two leaders agreed to endeavor for increased bilateral exchanges and cooperation in economy, trade, science and technology and particularly to work out concrete ways of reinforcing cooperation in the basic sciences between the two countries.

President Kim asked for support for Seoul's bid to host the 2002 World Cup finals from the German executive member of the Federation of International Football Associations (FIFA). Chancellor Kohl reportedly responded to the request favorably.

In his address at a dinner hosted by German President Roman Herzog Monday evening, Kim noted it was significant and meaningful for him "to be the first president of the Republic of Korea to visit Germany after its unification."

He also said, "We will continue to strive with patience and magnanimity to build the mutual trust between South and North Korea through dialogue and interchanges and thereby achieve reconciliation and integration on a step-by-step basis."

In the meantime, Foreign Minister Kong No-myong conferred with his German counterpart Klaus Kinkel Monday and agreed to revise the aviation agreement between the two countries.

Minister of Science and Technology Chong Kun-mo exchanged a memorandum of understanding with German Minister of Education, Science, Research and Technology Juergen Ruetters on creating a 10- million-dollar fund for basic science cooperation.

### **North Delegates Said To Seek Ties With Germany**

*SK0403003995 Seoul YONHAP in English 0023 GMT 4 Mar 95*

[FBIS Transcribed Text] Seoul, March 4 (YONHAP)—A North Korean Government delegation is staying in Germany to sound out the possibility of normalized diplomatic relations with Bonn, a government official said Saturday.

The move, coming after Pyongyang's rejection of South Korean model light-water nuclear reactors, appears to be related to the reactor issue.

The influential German daily FRANKFURT ALGEMEINE SONNTAGSZEITUNG has recently reported that North Korea, which is promoting normal relations with the United States, is also seeking normalization of relations with Germany, and that a North Korean delegation had arrived in Germany to sound out possible diplomatic normalization with Bonn, according to the official.

The Pyongyang delegation is led by Kim Chon-kuk, Foreign Ministry's Europe officer, and it met with German Government officials last Tuesday, the daily was quoted as reporting.

Noting that North Korea's effort to normalize relations with Germany is related to the nuclear reactor issue, the newspaper said that no progress is being made in the North's normalization of relations with the United States because it is opposed to the introduction of South Korean model reactors, and that Russia also indicated interest in supplying the North with light-water reactors.

Though the North has not taken a consistent stand on the matter, the newspaper analyzed, they seem to prefer German model light-water reactors most.

The North Korean delegation has been staying in Berlin in a bid to seek normalized relations with western Europe, the paper said. But it did not refer to the contents of discussions the delegation had with German authorities.

As the North Korean move is being made immediately prior to President Kim Yong-sam's visit to Germany, it may affect Kim's summit talks with German Chancellor Helmut Kohl.

In an interview he had with this German daily prior to his state visit to Germany, President Kim said it is not desirable for Bonn to swiftly normalize relations with Pyongyang at this moment.

**Germany Signs Trade Agreement With Pyongyang**  
*SK0403020995 Seoul YONHAP in English 0153 GMT  
4 Mar 95*

[FBIS Transcribed Text] Berlin, March 4 (YONHAP)—Germany has recently signed a countertrade agreement with North Korea as the first Western country to do so, an influential German economic newspaper reported Friday.

In its March 3 edition, HANDELSBLATT reported the two countries reached the trade accord under which they will engage in merchandising trade worth 100 million U.S. dollars every year.

The paper said the trade agreement was formally reached in Pyongyang recently after a three-day contact between representatives from a German Barter Trade Company, DCCG, and North Korea's Export Promotion Committee. The German organization was established last year to collect German bonds in communist block countries.

The bilateral agreement also calls for increasing their annual trade volume up to 300 million dollars after five years.

Gerhart Albert [as received], the German company's representative in charge of contact with North Korea, reportedly accepted the trade agreement as a sign of North Korea trying to escape its isolation and foresaw that the first deal under the accord will be made in the latter half of this year.

North Korea is expected to purchase chemicals and medicine from Germany and in return sell minerals, natural resources and light- industry goods.

Meanwhile, the two countries held a diplomatic consultation in Bonn last Tuesday and reportedly discussed matters concerning treaties reached in the past between North Korea and former East Germany and the disposal of diplomatic assets involving the two countries.

During the meeting that was held before South Korean President Kim Yong-sam's official visit to Germany, North Korea's Foreign Ministry official, Kim Chun-kuk, talked with German Foreign Ministry officials over the disposal of the former East Germany Embassy building and 12 other pieces of real estate in Pyongyang.

In this connection, the German press, including FRANKFURTER ALLEGEMEINE, hinted at the possibility of diplomatic relations between North Korea and Germany and reported that North Korea is actively approaching Western countries to upgrade its status through Germany.

**Ministry: No Knowledge of Accord**

*SK0403054895 Seoul CHUNGANG ILBO in Korean  
4 Mar 95 p 1*

[FBIS Translated Text] On 4 March, the Ministry of Foreign Affairs said it has no knowledge of the establishment of the agreement on "the North Korea-Germany

Company for Barter Trade Through an Open Account," concluded between North Korea and Germany.

**President: South Ready To Reconcile With North**  
*AU0603134795 Munich FOCUS in German 6 Mar 95  
p 286*

[Interview with South Korean President Kim Yong-sam by Barbara Schwepcke; place and date not given: "Ready for Reconciliation"]

[FBIS Translated Text] The nuclear poker has paid off for North Korea: The South's old ally, the United States, promised the North that it will open a liaison office and that an international syndicate (KEDO) will deliver two light-water reactors. The United States is now demanding that South Korea assume a 70-percent share of KEDO. Yet the North seems to be deaf and refuses to negotiate with the hostile brothers in the South. South Korean President Kim Yong-sam is now trying to regain the diplomatic initiative.

[Schwepcke] President Kim, what do you expect from your visit to Germany?

[Kim] Until recently, Germany shared Korea's painful fate of being a divided nation. For this reason, Germany can understand very well the problems that Korea is facing.

[Schwepcke] Your government views the financing of the light- water reactors for the North as an investment into reunification. North Korea, however, considers it an unacceptable proof of your economic superiority, which it ignores stubbornly. U.S. negotiator Robert Gallucci recently called for a participation—even though a symbolic one—by other states in KEDO to reassure the North.

[Kim] From our viewpoint, it is very desirable for as many states as possible to participate in the process leading to a solution to the North Korean nuclear program. Germany is viewed as the most progressive state in Europe. Thus, we explicitly welcome Germany's participation in KEDO.

[Schwepcke] Has your country's relationship with the United States suffered because of the U.S. rapprochement with North Korea?

[Kim] Our good relationship with the United States has not been affected.

In fact, we did not take part in the negotiations between the United States and North Korea, but we made clear our standpoint in close consultations with the United States and after the talks. This close cooperation between the United States and South Korea will continue to exist in the future, too, when the Geneva agreement will have to be implemented.

[Schwepcke] North Korea wants you to apologize for your failure to send condolences on the occasion of the death of Kim Il-song....

[Kim] Kim Il-song is responsible for the Korean war that claimed over 6 million lives and as a result of which over 10 million families were separated. For this reason, the population would not have accepted condolences after Kim Il-song's death.

Yet Kim Il-song is dead. If North Korea gave up its nuclear program and adopted a positive attitude vis-a-vis South Korea, we would also be willing to improve inner-Korean relations through talks and economic cooperation and to embark upon the path of reconciliation.

[Schwepcke] In return for the resumption of inner-Korean talks, North Korea demands the abolition of the "National Security Law." It forbids South Koreans to maintain contact with the North. As an opposition politician, your yourself suffered under this law.

[Kim] Unfortunately, North Korea has so far not given up its political goal of reuniting both parts of Korea into a communist state with the use of force. Under these circumstances, which represent a considerable danger for the security of the South, the "National Security Law" is quite a useful instrument for the protection of the state and the defense of our free democracy.

Controversial stipulations in this law which led to human rights violations under the military regime have been revised in the meantime. The new version of the law was also accepted by the opposition.

[Schwepcke] What about the penal code?

[Kim] It has also been amended and ensures the protection of the individual citizens.

#### Minister Advises on DPRK Jul, Aug Events

SK0603065195 Seoul YONHAP in English 0642 GMT  
6 Mar 95

[FBIS Transcribed Text] Seoul, March 6 (YONHAP)—Deputy Prime Minister and National Unification Minister Na Ung-pae said Monday that events in North Korea during July and August should be watched carefully in regard to Kim Chong-il's formal rise to power.

He gave the advice in a report on the current North Korean situation that he forwarded to the National Assembly Foreign Affairs and National Unification Committee, pointing out that the first anniversary of Kim Il-song's death is in July and the 50th anniversary of the North's liberation from Japanese rule is in August.

As for North Korea's nuclear issue, the chief unification policy-maker said the issue of whether an agreement on the provision of light-water reactors will be concluded in a smooth manner would have significant impact not only

on the execution of the North Korea-U.S. nuclear agreement but also on the course of inter-Korean relations.

The coming six months will be very important to the future development of inter-Korean relations, he predicted.

Defense Minister O Chin-u's death late last month, coupled with Kim Il-song's demise last July, might have provided an opportunity for a general shift in North Korea's power structure, he remarked.

But he added, "In view of the fact that chief of General Staff Vice Marshal Choe Kwang and a small group of other vice marshals have virtually led North Korea's Armed Forces since Kim Il-song's death, the influence of O's death on the military is considered not very significant."

The government will continue to allow businesses to send a mission to the North under the inter-Korean exchange and cooperation law and to launch "model inter-Korean cooperation projects" with North Korean firms on a selective basis, Na said.

#### LG Executives Met With DPRK 'Officials'

SK0603102595 Seoul KBS-1 Radio Network in Korean  
0954 GMT 6 Mar 95

[FBIS Translated Text] Ku Cha-kuk, chairman of the LG [Lucky Goldstar] Group, and other LG presidents and executives, reportedly visited North Korea last week and met with high-ranking North Korean officials to discuss ways to open businesses in North Korea. According to the National Unification Board, five LG executives, including Chairman Ku Cha-kuk, visited North Korea for six nights and seven days beginning 26 February, and met with Yi Chong-tae, chairman of the North Korean Committee for External Economy, to discuss ways to expand the processing-on-commission trade of clothes and televisions.

#### U.S. 'Arrogance' in Land Rezoning Issue Viewed

SK0403074895 Seoul HANGYORE SINMUN in Korean  
4 Mar 95 p 3

[Editorial: "U.S.'s Arrogance and ROK's Humiliation"]

[FBIS Translated Text] This is not the first time for the United States to act the part of a suzerain state of a colony in relations with our country. The United States ruled South Korean society for three years from 1945, under the guise of military government. For almost half a century since then, the country has exercised absolute influence on political, economic, cultural, and social life in the ROK.

The recent news on "the United State's request for special privileges regarding the U.S. Embassy site" clearly shows that the United States still regards the ROK as its colony. In July 1990, the governments of the two countries negotiated the barter of the site of the

present U.S. Embassy for that of the former Kyonggi Girls' High School, where it is supposed to build its new embassy. This notwithstanding, it has continuously exposed its ulterior profit-making motives. If the old school site, which is in a residential zone, is rezoned into a commercial zone as requested by the United States, then, the market value of the old school site will multiply and if the height limitation on buildings in the Songhyon-tong, Chongno-ku, Seoul, where the U.S. Embassy employees' quarters are located is lifted and a new U.S. Embassy is built there, the United States will surely see quite a profit.

We have never heard of the United States ever presenting such an arrogant or irrational request to Germany or Japan where its troops are also stationed. Why has the U.S. Government not discarded its attitude of playing the role of a ruler in the ROK alone; and why does the U.S. Government frequently block the ROK Government from exercising jurisprudence over U.S. military criminals? This is because the United States looks down upon the ROK Government and its citizens.

The United States occupies too much land in a very cramped ROK, and uses most of the land it occupies for free. Aside from the U.S. military bases, the United States has been using land amounting to about 85,000 pyong [one pyong is equivalent to 3.954 sq. yds.] throughout the ROK, free of charge. It is no wonder the ROK is jeeringly ridiculed as being "the 51st state" of the United States.

In particular, the U.S. military base in Yongsan is "an extraterritorial area" located in the heart of the metropolis, and is a big obstacle to the Seoul citizens' daily life. During the No Tae-u regime, the two countries agreed to move the Yongsan base to a regional area. In spite of this, only the U.S. golf course was returned and renamed "Yongsan Family Park." The rest of the Yongsan base is still in use by the United States as its "territory." The Yongsan military base has prevented Tongjak Bridge, which links the southern and northern parts of Seoul, from functioning properly. But, the question of transferring the military base to a regional area has been virtually scrapped due to the stir caused by North Korea's nuclear issue. Imagine how abundant and comfortable our citizens' lives would be if we were to retrieve this vast area and turn it into a residential or greenbelt area.

To reiterate, U.S. arrogance can be attributed to the shameful attitude of the ROK Government. We believe we have the dignified right to judge questions of transferring the U.S. military base to another area and of building a new U.S. Embassy on the old school site. This notwithstanding, whenever the United States displays its forked tongue, the ROK Government assumes a helpless attitude. Such a government is not qualified to talk about independence. And a government lacking independence is far removed from realizing globalization.

#### **U.S. Rezoning Request 'Not Worth Considering'**

*SK0503055895 Seoul HANGYORE SINMUN in Korean  
5 Mar 95 p 5*

[Article by reporter Kwon O-sang]

[FBIS Translated Text] The U.S. Embassy has requested that zoning for the site of the former Kyonggi Girls' High School be changed and the height limitation be lifted on buildings in the area where the embassy employees' quarters are located. The Seoul metropolitan government is greatly opposed to this, saying that "it is against common sense."

On 4 March, a Seoul metropolitan administration official said resolutely: "Our city government can never accept the U.S. Embassy's rezoning request regarding the old school site because it is against common sense. It is not worth considering even from a working-level point of view."

He added: "We cannot help but regard such a U.S. request as an attempt to disregard our sovereignty. This matter should be considered from the standpoint of protecting our sovereignty and national interests."

We can say that the Seoul city administration's attitude is based on its own perception that no matter how much we still need the United States, the U.S. attitude of ignoring our domestic laws and seeking its own profits is anachronistic.

A city planning official said: "We have never received any notification or proposal whatsoever either from the U.S. Embassy or the Ministry of Foreign Affairs. This notwithstanding, is it conceivable that we change our city planning policy, including the rezoning of a site, so that the U.S. Embassy can sell the land with an increased market value as a result of the land rezoning, to raise funds for the construction of a new embassy?"

Seoul city administration's working-level officials said: There is no reason to change the zoning of the former school site as a commercial zone, because there is already a project presently under way to redevelop the area along the main thoroughfare located in the vicinity of the former school site as a commercial zone. Furthermore, if the zoning is changed for this school site as a commercial zone, other general residential areas will have to be rezoned. This will only bring about an adverse side effect.

In addition, they pointed out: The question of lifting the height limitation on buildings in Songhyon-tong, Chongno-ku, Seoul, where the U.S. Embassy employees' quarters are located, concerns the whole area surrounding Kyongbok Palace. Therefore, if the height limitation is lifted on one part of the area, it will obstruct the view and spoil the beauty of the area's landscape.

In particular, Seoul city administration officials share the opinion: A considerable number of Seoul citizens have seen their property rights restricted because the

height of the buildings in the Samchong-tong and Kahoe-tong areas, located behind Songhyon-tong, is limited to 16 meters (five stories). Under these circumstances, if the height limitation was lifted on the U.S. Embassy employees' quarters alone and the U.S. Embassy was allowed to build a new building, Seoul citizens would oppose it and the citizens across the country would not be persuaded.

One high-ranking city administration official expressed his concerns, saying: "I think that this issue is a matter that should be solved by the government through diplomatic negotiations with the United States, rather than by the Seoul city administration changing its city planning codes. Even if the two countries reached an agreement, if the U.S. request was fully accepted, it would remain to be seen whether it would be possible for us to persuade our citizens."

Kil Sung-hum, professor of political science at the Seoul National University, said: "Because the U.S. Federal Government has failed to secure enough budget, the U.S. Embassy seems to be trying to raise necessary funds by making money even through speculation, on the basis of its traditional high-handed attitude. Our government should reject this by sticking to the relevant principle so that such a thing, which is also unprecedented in other foreign countries, does not happen again."

Meanwhile, the Seoul city administration admits: The sites of former schools located downtown Seoul are presently supposed to be regulated by the rules of applying only 33 percent of building-to-land ratio and 200 percent of ratio capacity, which are half of the 60 percent of building-to-land ratio and 400 percent of ratio capacity that are applied to general residential areas. Therefore, it is somewhat unreasonable for the U.S. Embassy to build a new embassy in the site of the former Kyonggi Girls' High School.

One city official concerned said: Accordingly, it is possible for us to prudently review this issue through negotiations with the Ministry of Foreign Affairs, in case the U.S. Embassy requests a partial lifting of restrictions on the building-to-land ratio and ratio capacity, and an easing of restrictions on the Architect Act in connection with the embassy's building a new embassy.

One government official involved in national unification and foreign affairs said: "To cite an example, Spain does not loan its land to foreign countries, including the United States, free of charge. Furthermore, the country makes it a firm rule to receive rental charges for the buildings of foreign countries on a regular basis. The United States should no longer regard the ROK as its occupied land; and, as a courtesy, the U.S. Armed Forces should return the land they are occupying in the ROK without paying money, as early as possible, while breaking away from their notion of being an occupation army."

### U.S. Legislators Said Seeking Trip to Pyongyang

SK0403073695 Seoul YONHAP in English 0725 GMT 4 Mar 95

[FBIS Transcribed Text] Washington, March 4 (YONHAP)—Two American representative of the subcommittee on Asia and the Pacific of the international relations of the U.S. Congress [name of subcommittee as received] are advancing a three-day visit to Pyongyang from April 8.

In an interview with a broadcasting station, SBS, here Thursday (U.S. standard time), Jay (Chang-jun) Kim (R.) disclosed he and Gary Ackerman (D.) have conveyed their hope to meet with North Korean leader Kim Chong-il and inspect Yongbyon nuclear facilities during their stay in the communist country.

The two lawmakers, accompanied by 11 entourages, plan to enter Pyongyang directly from Seoul aboard a chartered plane and return to Seoul through the truce village of Panmunjom, explained Kim, who added they had already presented such idea to the North Korean authorities.

He expected the American group to be briefed by an investigation team of the International Atomic Energy Agency (IAEA), which are now in activity in the North, on the current situation of the North's nuclear freezing.

He also forecast the issue of provision of light-water reactors to the North could be addressed through dialogues.

In the meantime, the U.S. Congress' subcommittee has not received a response to its visiting plan from the Pyongyang regime so far, the Korean-born legislator said.

### \* MOFA Official Urges No U.S.-North Treaty

952C0064C Seoul WOLGAN CHOSON in Korean Feb 95 pp 98-103

[By Sin Kak-su, chief, Section 1, Northeast Asian Bureau, Ministry of Foreign Affairs: "No Need for a U.S.-North Korea Peace Accord"]

[FBIS Translated Text] Two Errors in North's Drive for Peace Accord

The Chinese Government's recent decision to withdraw from the Military Armistice Commission (MAC) has aroused an acute interest and concern of our people in relation to the question of a lasting peace in the Korean Peninsula. Meanwhile North Korea has repeated its old demand to the United Nation that the current Korean Armistice Agreement be replaced by a peace agreement.

This may be interpreted as an attempt to create an international atmosphere favorable to causing the withdrawal of U.S. forces from South Korea by taking advantage of the U.S.-North Korea basic accord on the nuclear issue reached in October 1994 as the prospect for

normalizing U.S.-North Korea relations looms on the horizon. North Korea is expected to step up the same demand in order to pave the way for direct negotiations with the United States and thwart the diplomatic initiatives of the ROK in the future process of adjustment in the dynamics of international relations in and around the Korean Peninsula following the settlement of the nuclear issue.

However, the North Korean demand for a U.S.-North Korea peace agreement has two inherent errors in the eyes of international law. First, North Korea is committing a decisive error by confusing two different issues, namely, the issue of signing a peace agreement with that of establishing a lasting peace on the Korean Peninsula. Second, in demanding a peace agreement with the United States, North Korea takes the position that the ROK is not a party to the 1953 Korean Armistice Agreement. On our part, a clear understanding is somewhat lacking on this score. That is why we occasionally come across people who take the North Korean position for granted, and at times we fail to come up with adequate countermeasures.

Signing a peace agreement is the first stage in the process of national reunification, and as such it is a very important matter for us in taking the initiative in North-South relations. Therefore we must thoroughly crush North Korean attempts to exclude us from this process, and exert efforts to muster international support for our position against such untenable attempts. From this point of view, this article will prove the logical fallacy of the North Korean in demanding a U.S.-North Korea peace agreement, by delving into the erroneous foundation on which this demand is based as viewed from the standpoint of international law.

#### **Peace Agreement as Means of Ending State of War**

First, to show how the issue of signing a peace agreement differs from the issue of achieving a lasting peace on the Korean Peninsula, we need to determine what kind of situation the Korean Peninsula is in from the standpoint of international law.

The 1950 Korean War, touched off by the southward invasion of North Korean troops, shifted in character from a civil war into an international war as the United States dispatched troops to punish North Korea for its aggression, and when China felt threatened by the advance of the UN forces into the north across the 38th parallel and sent its troops to the Korean theater. Hostilities were halted with the signing of an armistice agreement, and the Korean War entered into the state of truce after lasting over 3 years and causing enormous damage to both sides.

What does the state of truce mean under international law? Truce means halfway between war and peace. In the sense that hostilities ended, a truce means that the belligerents are not in a state of war; nevertheless in the

sense that the hostile relations have not ended, a truce does not mean a complete transition to peace.

This is to say that the state of hostility between the ROK and the 16 allies comprising the UN forces on one side and North Korea and China on the opposite side have not ended despite the 1953 Korean Armistice Agreement. This is clear from the preamble to the armistice agreement, which says that the two sides are concluding the armistice agreement "for the purpose of establishing a truce which will insure a complete halt to hostilities and all armed actions until a final peaceful settlement is reached." The preamble, on the other hand, denies any political nature of the armistice agreement by saying, "the purport of these conditions and provisions is of purely military nature."

There is a view that in the case of a general armistice like this one which provides for a comprehensive halt to hostilities, the passage of a fairly long period after its signing brings about a de facto end to the state of war. But the majority view is that unless the parties to belligerency indicate their will to end the state of war expressly or implicitly, an armistice agreement alone does not completely terminate the state of hostility in a legal sense. The 1953 Korean Armistice Agreement is not an exception.

Is the state of hostility between the belligerent parties to the Korean War still continuing? Article 4 of the Armistice Agreement provides for a political conference for a peaceful settlement of the Korean question. The 1954 Geneva international conference held by the interested countries under this provision ended without reaching any conclusion. This precluded a comprehensive peace participated in by all the belligerent parties; therefore, ending the state of hostility became contingent upon the bilateral relations between the belligerent parties.

The most typical method of terminating the state of hostility under international law is signing a peace treaty. However, in the present age in which war is outlawed as a general rule, it has become more common to end the state of hostility by actually refraining from acts of hostility and implicitly showing that the belligerent parties have abandoned their hostile intentions. Particularly, in the case of armed conflicts that occurred without an express declaration of war, the prevailing tendency is to end the state of war implicitly through means such as the resumption of diplomatic relations or the normalization of relations.

#### **Nonaggression Pacts Often Reduced to Waste Paper**

From this point of view, the North Korean demand for a U.S.-North Korea peace agreement is not entirely out of order as a means of ending the state of war between the United States and North Korea that came into being with the outbreak of the Korean War. But there is no reason the state of war need be brought to an end solely by means of a peace agreement. The state of war can be

terminated implicitly by pertinent actions or by a diplomatic document such as a joint statement.

In fact, of the belligerent parties to the Korean War, the four which have diplomatic relations with North Korea, implicitly terminated the state of war by establishing diplomatic relations [with us]. In the case of the ROK and China, the two countries implicitly ended the state of war through the 1992 Sino-ROK joint statement establishing diplomatic relations, without signing a formal a peace treaty. Paragraph 2 of the joint statement says that the two sides "agree to develop a lasting good-neighbor and friendly relationship," thereby implying that the state of war between the ROK and China terminated.

Accordingly, the North Korean demand for a U.S.-North Korea peace agreement, in the sense that it can be considered just one way of terminating the existing state of war, has no direct bearing on the issue of achieving a lasting peace on the Korean Peninsula. A lasting peace cannot be achieved on the Korean Peninsula simply changing the state of war between the parties to a peacetime relationship.

To establish a lasting peace on the Korean Peninsula, which has the highest concentration of two opposing forces deployed across the border, it is essential to have practical, effective, and diverse devices securing peace.

Only when measures to defuse tension, build up trust, and reduce arms; and verification devices, dispute settlement mechanisms, and safeguards are integrated into a treaty, can peace and security be brought to the Korean Peninsula. Particularly, in dealing with a country like North Korea, which has lost much of its trustworthiness due to its bad behavior, maintaining a stable balance of power can be the only way of securing peace. For this reason, a peace treaty must have minute details of devices to insure, verify, and safeguard its implementation.

Peace can never be guaranteed by an agreement alone which could be reduced to a piece of waste paper by the breach of peace on either signatory. In the past, most of nonaggression pacts failed to play their intended roles due to violations by the parties that had taken pains to sign them, or what's worse, these pacts were used as a smoke screen to conceal aggressive intentions.

All the neighboring countries which had signed nonaggression pacts with the Soviet Union shortly before World War II ended up being annexed by Soviet invasion. It is still fresh in our memory that more recently, the Paris peace treaty, concluded for the purpose of ending the Vietnam War, was reduced to waste paper only 2 years after it was signed, due to North Vietnam's invasion and communization of South Vietnam.

From all this, it is evident that a peace agreement between North Korea and the United States cannot be substituted for a treaty designed to secure peace on the

Korean Peninsula. How could a U.S.-North Korea peace agreement designed to end the state of war between these two countries serve as a treaty which will secure peace and security on the Korean Peninsula by institutionalizing peaceful coexistence, exchanges, and cooperation between North and South?

#### **ROK: Party to Armistice Agreement**

Next, let us examine North Korea's second error with regard to the status of the ROK as party to the Korean Armistice Agreement. One may make a simplistic argument that the ROK is not a party to the Korean Armistice Agreement because it, unlike North Korea, did not sign the agreement. Needless to say, whether we are the party to the Korean Armistice Agreement has no direct bearing on the question of whether we are competent to be the party to an arrangement for securing peace on the Korean Peninsula.

The fact that the ROK is the party to the Korean Armistice Agreement provides an important ground for proving the fallacy of North Korea's argument. We can use this fact as an important material in explaining the validity of our position to third countries in particular.

To begin with, the North Korean contention that the ROK is not the party to the Korean Armistice Agreement is fraught with a major paradox in logic. If the ROK were not the party to the Korean Armistice Agreement, it would mean that this agreement was concluded by leaving out the ROK, a major belligerent in the Korean War.

International law provides that a treaty is binding only to the parties concerned, and it cannot create specific rights and duties for a third party without its express consent. Therefore, as far as the logic of North Korean goes, the ROK is not bound by the armistice agreement. This would mean that an armistice not binding to the other belligerent party is in force. Such an armistice, flawed in principle, has no legal force. The argument that the ROK is not the party to the 1953 Korean Armistice Agreement leads to the basic paradox that the Korean Armistice Agreement is "an armistice agreement without an armistice."

The fact that the ROK is a party to the Korean Armistice Agreement even though it did not sign it, stems from the peculiarities of that agreement. An armistice agreement is a wartime accord of military nature, concluded for the purpose of halting hostilities. Accordingly, unlike an ordinary peacetime treaty, it is signed by the military commanders of the belligerent parties, not by the officials of the signatories with the competent authority to sign treaties. In the case of the Korean Armistice Agreement, it was signed by the commanding general of the UN Command [UNC] representing the United Nations on the one side, and the commanders of the Korean People's Army and the Chinese People's Volunteers on the other.

How come the commanding general of the UNC signed the Korean Armistice Agreement? This question is directly related to the characteristics of the UN Forces. The UN Forces were comprised of the contingents dispatched by 16 countries for a punitive action against the North Korean aggression. When troops dispatched from many countries jointly engage in action, it is customary for the commander of the allied force to exercise the operational authority over all of them for an effective execution of warfare. In the case of the multinational force organized in the recent Gulf War, the American commander exercised the operational authority.

#### **Unposed ROK General's Presence at MAC Session**

The operations of the contingents of the UNC from 16 allies were under the control of the commanding general of the UNC appointed by the United States with the approval of the United Nations. The command and control of the ROK armed forces was transferred to the commanding general of the UNC according to President Syngman Rhee's 15 July 1950 letter to UNC Commander General MacArthur. Thus the commanding general of the UNC exercised all legal actions of the contingents of the UNC and the ROK forces on behalf of the 16 allied nations and the ROK government.

That is why the Korean Armistice Agreement, a wartime agreement, was signed by the commanding general of the UNC on behalf of the ROK Forces and the UN Forces consisting of the contingents from the 16 allies. A precedent may be found in the armistice agreement signed between the allied forces and the German forces in the World War I, and the same practice was observed when Japan and Germany surrendered unconditionally in World War II.

From the beginning, the ROK Armed Forces were represented at MAC sessions. Maj. Gen. Paek Son-yop attended the first plenary session of the armistice talks on 10 July 1951, and four representatives of the ROK Armed Forces alternately attended the negotiating sessions until the talks were over. The commanding general of the UN Forces signed the armistice agreement on 27 July 1953 in the presence of the representatives of the ROK forces and the 16 allied contingents of the UNC. These two facts are important because they prove that the signing of the armistice agreement constitutes a legal action performed by the commanding general of the UNC on behalf of the ROK Armed Forces and the 16 allied contingents of the UNC.

From the fact that ROK Armed Forces were represented from the early stage of the armistice negotiations through the signing of the armistice agreement as part of the UNC; as well as from the convention that in the case of an armistice agreement involving an allied force, its commanding officer signs the document on behalf of all its contingents, it is evident that the ROK, which was a composite member of the allied forces under the UNC, is a party to the Korean Armistice Agreement.

At the beginning the ROK Government opposed the armistice agreement with a view to pressing the United States into signing a ROK-U.S. mutual defense treaty, and refused to send a representative to the MAC. However, this fact has nothing to do with the fact that the ROK Armed Forces were a party to the Armistice Agreement, for the question of sending a representative to the MAC has no direct bearing on the question of the competency to be a party to the armistice agreement.

The Korean Armistice Agreement provides that the MAC shall consist of 10 high-ranking officers of the two sides, with five members from the UNC appointed by the UNC commanding general. Under this provision, the UNC commander has the authority to appoint UNC representatives to the MAC from among officers of the ROK Armed Forces and the 16 allied UNC contingents.

In fact, Maj. Gen. Yim Son-ha was appointed as MAC member replacing U.S. Brigadier General Taylor and attended MAC meetings beginning with the 38th session on 9 March 1954. After examining Major General Yim's credentials, North Korea raised no objection.

The representatives of the ROK Armed Forces participated in MAC activities with no trouble at all until the early 1970's when North Korea began to raise objections at the United Nations with regard to the ROK competence as party to the armistice. The number of ROK representative to the MAC increased to two. The fact that the representatives of the Korean Peninsula have continued their activities in the MAC constitutes an established practice under the terms of the armistice agreement and hence serves as material proof that the ROK is a party to the armistice agreement.

#### **North, South Korea, U.S., China Should Sign Peace Treaty**

As examined above, the ROK is incontrovertibly a party to the 1953 Korean Armistice Agreement and should be a legitimate party to talks to make an arrangement for peace on the Korean Peninsula to replace the armistice agreement. Article 62 of the Korean Armistice Agreement provides that the agreement will remain in force until it is clearly replaced by "an appropriate agreement by the two sides for a peaceful settlement at the political level."

According to the Korean Armistice Agreement that a new agreement to replace the existing agreement should be arranged by the two sides, namely, the UNC and the communist side. Therefore, the ROK as a party to the armistice agreement has the legal competence to participate in a new agreement.

Nevertheless it is desirable to Koreanize the Korean question as far as possible in accordance with the principle of letting interested parties handle it. In addition, the North-South basic accord calls for North-South consultations to make an arrangement for safeguarding peace on the Korean Peninsula. As a practical matter,

North and South Korea, the two direct parties; and the United States and China, the two interested parties, should split up the role in making this arrangement.

This is to say that in arranging the basic framework of a peace arrangement on the Korean Peninsula, North and South Korea should play the leading role, and that the United States, which support ROK security through its troops, and China, which has a vital interest in stability on the Korean Peninsula, should play a catalytic role to accelerate the process of making this arrangement, as well as their role as guarantors. A proper mix of the leading role of North and South Korea and the supportive role of the United States and China will make it possible to build a most realistic and stable arrangement of peace on the Korean Peninsula.

#### **U.S. Request for Change in IPR Laws Protested**

*SK0403025095 Seoul TONG-A ILBO in Korean 4 Mar 95 p 2*

[FBIS Translated Text] It was learned on 3 March that the United States has been applying pressure on the ROK on the legislation of domestic laws which is a matter related to the ROK's sovereignty, by requesting that the ROK Government guarantee in writing that the ROK will revise relevant laws concerning intellectual property rights [IPR].

According to pertinent government agencies such as the Ministry of Foreign Affairs and the Office of Patent Administration: During trade negotiations with pertinent ROK Government officials in the ROK on 25 February, (Christina Lund), a director-grade officer in charge of ROK affairs at the Office of the U.S. Trade Representative, indicated that there was a problem in the ROK's legal mechanism concerning intellectual property rights and requested that the ROK promise to revise IPR-related laws.

In spite of the fact that our government has consistently publicized its policy of revising IPR-related laws to suit the framework of the agreement on the World Trade Organization within this year, Director (Lund) said that, in the event that the ROK does not provide a written guarantee on its promise to revise relevant laws, the United States will again designate the ROK as a target country for priority surveillance next month, during its evaluation of the level of ROK protection of intellectual property rights.

In this connection, it was learned that the ROK Government has strongly protested to the United States by pointing out that because the revision of laws is a matter of sovereignty, the U.S. request for a written guarantee is a violation of our sovereignty.

#### **Seoul Not To 'Bow' to Pressure**

*SK0403072695 Seoul YONHAP in English 0710 GMT 4 Mar 95*

[FBIS Transcribed Text] Seoul, March 4 (YONHAP)—South Korea will continue to make efforts to protect

intellectual property rights (IPR) in international trade by revising relevant laws and strictly implementing them but would not bow to pressure from the United States to present a time table of concrete measures, according to a senior Foreign Ministry official Saturday.

Christina Lund, director general of the United States Trade Representative [USTR] who is in charge of Korean affairs, has suggested that the United States may upgrade South Korea's status in IPR protection to a watch list country from the current priority watch list country in exchange for South Korea's acceptance of the U.S. demand, said Chang Ki-ho, director general of the ministry's international trade bureau who just concluded an unofficial meeting with Lund.

South Korea will do its part in the IPR protection not because of the U.S. pressure but out of the fact that it will help the country attract investment from foreign countries which otherwise would not come to the country for fear of violations of their IPRs, said Chang.

Lund has held a series of unofficial meetings with officials of the Ministries of Foreign Affairs, Agriculture, Forestry and Fisheries and Information and Communications since Monday in what she described as a fact-finding visit to South Korea as the USTR official in charge of Korean affairs.

During Saturday's meeting, Chang and Lund also discussed a broad range of bilateral trade issues on South Korea's import of telecommunications and medical equipment, beef, sausage and other agricultural products and IPR protection, Chang said.

The two sides, however, have not produced any result on the issues because the talks are unofficial ones and the sides agreed to hold official trade talks in late April to further discuss the trade issues, according to Chang.

Lund will leave the country Sunday, winding up her one-week stay here.

#### **Government, U.S. Agree To Hold Trade Talks**

*SK0403103195 Seoul YONHAP in English 1020 GMT 4 Mar 95*

[FBIS Transcribed Text] Seoul, March 4 (YONHAP)—South Korea and the United States agreed to hold a working trade meeting late next month to discuss bilateral trade issues such as distribution period of American beef and procedures for getting a form approval of telecommunications equipments.

Chang Ki-ho, director general of the Foreign Ministry's international trade bureau, announced Saturday that he made the decision at the second unofficial trade talk Saturday afternoon with visiting Christina Lund, director general of the United States Trade Representative (USTR).

Lund, who came here on Feb. 25, had in-depth talks with South Korean officials at Foreign, Health and Welfare,

Information and Communications Ministries over the week, but failed to narrow differences on trade issues between the two countries.

In connection with the simplification of the form approval for telecommunications facilities, which the U.S. side had strongly demanded, the South Korean Government conveyed its stance to deal with it on the principle of the memorandum of understanding for telecommunications between Seoul and Washington, the South Korean director general explained.

Responding to it, the U.S. delegation has called for South Korea's efforts to solve the issue, and the two sides agreed to hold working meetings again in the near future, Chang said.

As to the distribution period of the U.S. food, the government has explained its phased deregulation of it from latter half of the year through 1998 to the U.S. side, but the American delegation insisted that it is irrational for the government to control the food distribution term and called on South Korea's re-examination of the issue, he said.

In the meantime, the government told the U.S. trade group that it will amend a current regulation, which levies a specific commercial duty on the American cigarettes and permits unlimited advertising promotion sales, as soon as possible, according to Chang. The USTR delegation said it would convey Seoul's position to the U.S. Administration, Chang noted.

#### **U.S. Urged To Pass 'Clear' Antidumping Rulings**

*SK0503093795 Seoul MAEIL KYONGJE SINMUN in Korean 5 Mar 95 p 3*

[Editorial: "U.S. Rubberband-Like Anti-Dumping Rulings"]

[FBIS Translated Text] It has been learned that the Korean Foreign Traders Association [KFTA] recently presented a letter to the U.S. Department of Commerce in which it points out the vague nature of the U.S. anti-dumping law and expresses the hope that the United States will pass clear rulings against dumping practices. In reality, despite the settlement of the Uruguay Round and the inauguration of the World Trade Organization system, advanced countries are accelerating measures to restrict imports through the imposition of anti-dumping and countervailing duties in the 1990's, far from setting examples for free trade.

This is illustrated by the fact that about 500 dumping practices cases were investigated by various countries around the world from 1992 to 1994. Four advanced economies, such as the United States, Australia, the EU, and Canada, conducted three-quarters of these investigations.

The United States is first among nations in terms of the number of investigations it has conducted against foreign countries' dumping practices. To be specific, one-fourth of the total number of such investigations were conducted by the United States.

In contrast, over the past two years our country has conducted only about 10 investigations of foreign countries' dumping practices, while foreign countries have brought 39 lawsuits against our country, ranking our country fourth in the number of lawsuits brought against it. The United States has brought approximately half of such lawsuits.

The KFTA presented its opinion to the U.S. side that it was necessary for the United States to establish a written standard on "dumping practices." The KFTA's action was somewhat belated. In particular, in addition to its imposition of anti-dumping duties, the United States is levying higher duties than the average customs tariff rate on 214 out of 306 products from our country, exports of each to the United States amounts to more than \$5 million annually. In addition, exports of our country's electronic products, such as VCR's, televisions, and electronic ovens, have been restricted because their exports have been forced to be self-regulated. In fact, the nontariff barriers of the United States against our country's products are really high.

In particular, in spite of the U.S. justification for imposing anti-dumping duties on the excuse to maintain a fair international trade order, various countries are denouncing the United States for manipulating various kinds of statistics for the purpose of restricting imports. For the United States to increase the credibility of its own policy, it needs to establish a clear standard on its own. The following kind of logic is really funny: If another country sells goods cheaper than my country, it is "dumping"; and if my country sells goods cheaper than another country, it is due to "mass production" and "efficient production."

In 1986, the United States passed an anti-dumping ruling on PRC-made kitchen utensils. At that time, the cost of production of the PRC products was comparable to items produced by advanced countries in Europe. In 1989, the United States reportedly passed an anti-dumping ruling on Venezuelan sulfuric acid by applying an unconvincing exchange rate. One Swedish bearing manufacturer was forced to submit reams of documents weighing 12 tonnes to support materials for an investigation. Matsushita Electric Corporation of Japan had to give up its export of telephones when it had to translate all 3,000 pages of material into English over a weekend. These are only some examples showing the unprincipled and arbitrary measures the U.S. Commerce Department has taken with to regulate dumping practices.

In principle, while stressing the need to abide by the principle of free competition and the market economy, the United States has been advocating fair competition with a view to eliminating monopoly and restricted competition. Before doing such things, the United States should, first, rectify its practice of suppressing competition and resorting to unfairness, a practice which is caused by U.S. anti-dumping regulations. Such rectification should begin by establishing a clear standard on

dumping practices. The U.S. Government should actively accept and sincerely reply to the opinion presented by the KFTA.

### Seoul Decides To Join UN PKO Arrangement

SK0403035295 Seoul YONHAP in English 0305 GMT 4 Mar 95

[FBIS Transcribed Text] Seoul, March 4 (YONHAP)—South Korea decided to join the United Nations "stand-by arrangements" and agreed to provide specified military units, equipment, service and other resources for peacekeeping operations desirably less than two weeks after receiving requests for help from the world body, the Foreign Ministry said Saturday.

The country, however, will reserve the right to reject the request from the United Nations if it is in no position to send the stand-by troops or equipment upon receipt of the request, said a ministry spokesman.

The country designated as members of the stand-by arrangements a 540-man infantry battalion, a 130-man engineering company, a medical team of 70-80 staff members, a team of eleven Navy explosives experts, a team of 10 to 15 sea lifeguards and 36 military observers, said the spokesman.

The Ministry of Foreign Affairs has held close consultations with the Ministry of Defense and relevant government agencies and parliamentary leaders before making the decision to join the UN stand-by arrangements, the spokesman said.

The ministry will notify the United Nations Secretariat of its decision in two weeks when the ministry expects a cabinet meeting will endorse the decision, he said.

The idea of UN stand-by forces was first introduced by UN Secretary General Butrus Butrus-Ghali in July, 1992, when he issued the agenda for peace to stress the need to maintain stand-by forces.

Butrus-Ghali has insisted that the forces for peacekeeping operations (PKO) have often lost opportune time in resolving regional conflicts because of the time gap between gathering PKO forces and sending them to conflict-ridden areas.

The idea, however, was changed to the stand-by arrangements in which the United Nations does not maintain its own forces but allows each member country to maintain forces available for PKO within their country.

The ministry expects that by joining the UN stand-by arrangements, the country's image as an active participant in UN activities will be boosted, thus aiding the country in getting support for the bid to join the UN Security Council (UNSC).

A total of 35 countries have so far expressed willingness to take part in the UN stand-by arrangements.

A 250-strong South Korean Army engineering unit was in service in Somalia from July 1993 through March 1994 as the first Korean contingent of the UN PKO forces. The country currently maintains a team of 42 medical care workers in the Western Sahara and military observers in Pakistan.

A total of over 63,504 PKO forces are currently active in 17 conflict-ridden areas with over 70 countries participating, according to ministry statistics.

Among the most active participants are India and Pakistan which have each sent over 9,000 infantry troops for PKO.

Nordic countries, Canada, Australia and Italy have long maintained their own stand-by forces for PKO who are trained in foreign languages and special warfare strategies at training centers, according to ministry officials.

The Japanese Government, meanwhile, can use up to 2,000 military forces for PKO without parliamentary approval under a new PKO act while having already dispatched thousands of PKO forces in Cambodia, said the officials.

Since the start of the UN PKO operations in 1948, about 1,200 people or 0.15 percent of the total PKO forces have been killed on duty, said the officials.

### Status of Trade Issues With EU Summarized

SK0403023095 Seoul THE KOREA TIMES in English 4 Mar 95 p 16

[By staff reporter Chae Hui-muk]

[FBIS Transcribed Text] Greater access by European automakers to the Korean market is expected to be one of the hot business topics during President Kim Yong-sam's visit to six European nations.

Last week, the European Automobile Manufacturers Association threatened to take action against the unfair trade practices in Korea's auto market unless Seoul does something.

Han Yong-su, director general of the ministry's bilateral trade affairs bureau, however, said that European governments have not raised the auto issue since the Seoul government slashed the acquisition tax on imported cars priced 70 million won or more to 2 percent, the same as that on local cars, starting in January.

The rapid surge of car exports to the European Union (EU) in the late 1980s was also a cause of the complaints of European carmakers, Han said.

But Korea's exports of cars to the EU changed little last year with 120,000 units, slightly more than the 110,100 units posted in 1993, going there. This is one reason why the EU had not lodged complaints with Korea, Han added.

European carmakers have also reportedly complained about slight technical matters, such as performance tests on imported cars, the direction and location of exhaust pipes and the maximum light intensity of headlights.

They called for performance tests of one car for each 2,000 imported, instead of the current one per 100, saying that an expensive car is destroyed in the tests despite the small number imported to Korea.

The EU, Britain and France and Germany are concerned that pirated records, video tapes and other intellectual property should be strongly cracked down on as requested by the United States.

The three key European nations also complained about Korea's requirement that import price tags be placed on commodities on the grounds that consumers may misunderstand the difference between consumer and import prices as the profit margin.

The regulations on country origin of imported goods are also complicated, European manufacturers said, adding that the Korean government should admit the EU as a country of origin.

Another complaint the EU has lodged is about Korea's designation of the acceptable distribution period of mineral water at six months despite the two to three years allowed in Europe.

On the other hand, Korean telecommunications terminal makers producing personal computers and the telephones have complained that France takes six to seven months to issue type certificates for foreign products, more than twice the three months in Britain and two months in other EU member nations.

Minister Pak plans to call on his counterparts in Germany and Britain to allow foreign businessmen, including Koreans, to drive on the driving licenses they have obtained in their countries. Korea recognizes the driving licenses of foreign businessmen as valid here.

Germany classifies ginseng as a pharmaceutical product. As a result, ginseng faces complicated customs clearance, licensed importers are only entitled to import ginseng and it has to be sold at drugstores.

These are a great hindrance to the export of Korea's traditional health food to Germany, ginseng producers said.

There are a few other minor issues such as complicated procedures in issuing employment visas in France, compulsory inspection of diamonds for industrial purposes in Belgium and EU's suspension of generalized system of preferences (GSP) meaning tariff reductions for Korean semiconductors.

Broadly, Korea has recorded soaring trade deficits with the EU and the European investment in Korea has

rapidly increased in the 1990s, said Han Tok-su, assistant trade, industry and energy minister for international trade.

Han said the prime aim of President Kim's visit is to create a boom in bilateral cooperation in industry with the 64 top business leaders accompanying him eager to conclude as many deals as possible.

### Seoul Plans To 'Step Up' Illegal Alien Action

SK0403023995 Seoul YONHAP in English 0223 GMT 4 Mar 95

[FBIS Transcribed Text] Seoul, March 4 (YONHAP)—The Justice Ministry has decided to step up measures to control illegal alien workers, numbering about 50,000, in the country in a policy to deport all of them by 1999.

A ministry official said Saturday his ministry instead would call for a steady increase in foreign industrial trainee-workers to fill the gap in the industrial work force from the deportation.

The official said the policy is based on the belief that the only way to fundamentally resolve the controversial issue of illegal foreign workers would be to eliminate foreign workers who overstay their visits and better operate the foreign trainee-workers system.

However, as small industries depend heavily on cheap foreign workers who overstay their visits, the ministry plans to scale down their number on a phased basis by deporting about 10,000 a year through the target year, 1999.

"Intensified control of illegal foreign workers is needed if only to ensure the smooth supply and demand of foreign industrial trainee-workers," he said.

Immigration office figures show overstaying foreign workers totaled 49,800 as of the end of last January. They include 19,800 Korean-Chinese, 7,500 Filipinos, 5,000 Bangladeshis, 2,300 Pakistanis and 2,000 Nepalese.

A total of 4,422 illegal foreign workers were deported in 1994, 894 of them forcibly and the remaining 3,528 voluntarily at exit orders.

Meanwhile, the Labor Affairs Ministry Friday threatened legal action against any industry that does not abide by new regulations on the better treatment of foreign trainee-workers.

The regulations, that went into effect on March 1, call on employers to pay a monthly 330-dollar allowance to a trainee-worker, carry medical and industrial disaster insurances for them, and give them opportunities to obtain publicly acknowledgeable skills.

The rules also oblige employers to pay training allowances directly to trainee-workers and duly protect them with regard to the 44-hour-a-week work system and holiday work.

To reduce the burden of small industries, the new regulations enable employers to claim compensation for the expenditures that additionally rise in connection with new regulations excepting the cost of boarding accorded to foreign workers under training contracts.

### **Tension 'Mounting' Over Local Election Law**

*SK0403052795 Seoul YONHAP in English 0505 GMT 4 Mar 95*

[FBIS Transcribed Text] Seoul, March 4 (YONHAP)—Tension is mounting between rival parties over the ruling party's move to force a revision to the integrated election law to pass through the on-going special National Assembly session.

The ruling Democratic Liberal Party (DLP) convened its high post holders meeting Saturday and reaffirmed its plan to pass the amendment bill during the incumbent house session, but the main opposition Democratic Party (DP) is determined to block the DLP's attempt even by using "physical force."

The DLP-drafted revision calls for banning the political parties from nominating their candidates in the local elections running for the seats of chief administrators and councilmen of the lowest administrative units—smaller cities, counties and wards (ku).

The ruling party is set to propose a key post holders meeting with the opposition party in a bid to seek DP's cooperation, but the possibility of bipartisan dialogue is dim because the opposition party is boycotting the talks.

The DLP is set to introduce the revision bill to the National Assembly Home Affairs Committee Monday so that it could be passed at the plenary session closing Tuesday.

However, the DLP has decided to extend the house session for five to seven more days if the DP blocks the government party's move.

A DLP official said the party is set to pass the revision bill before President Kim Yong-sam returns from Europe on March 15 even if they have to extend the parliamentary session.

DLP Chairman Yi Chun-ku said that his party is pushing for the plan with a "dignified attitude" for national interests and criticized the opposition DP's boycott of the bipartisan dialogue and threat to block the bill's introduction to the National Assembly.

Kim Tok-yong, DLP secretary-general, also charged the DP and said he could not understand why the opposition party refuses the bipartisan dialogue. "As the date of the local elections is approaching, we should pass the revision bill as soon as possible," Kim emphasized.

In the meantime, the opposition DP is determined to block the bill's introduction to the home affairs committee by deploying its lawmakers and other party members around the parliamentary panel.

In addition, the DP has already organized teams headed by senior party officials to deter the revision bill's introduction before the parliamentary plenary session.

In case the bill would be passed by the unilateral action of the ruling party, the DP will launch a pan-national campaign for overthrowing the incumbent government, a party spokesman said.

### **Two Key DLP Members 'Forcibly Whisked Away'**

*SK0603085595 Seoul YONHAP in English 0848 GMT 6 Mar 95*

[FBIS Transcribed Text] Seoul, March 6 (YONHAP)—Opposition Democratic Party's [DP] lawmakers on Monday [6 March] reportedly forcibly whisked away two key ruling party members of the National Assembly Home Affairs Committee out of town in an apparent bid to block a draft revision to the integrated election law from being tabled at the committee.

Rep. Kim Ki-pae, chairman of the committee, and Rep. Hwang Yun-ki, the Democratic Liberal Party [DLP]-side manager in the committee, are the two legislators who the ruling party charged were "kidnapped" by opposition lawmakers to Sokcho and Yosu.

In connection with this incident, the DLP asked the police to step in to provide due protection for the two "abductees."

Reps. Chong Kyun-hwan, Kim Ok-tu and Chang Yong-tal of the DP were confirmed to have rushed to the home of Chairman Kim earlier in the morning and made him get aboard his car and forced him to head for Sokcho instead of the National Assembly building.

"You can't go to the National Assembly now. So, let's go on a pleasure trip," one of the opposition lawmakers was known to have proposed to the committee chairman at his home.

Rep. Chong called the headquarters of his party at around 12:30 PM [0330 GMT] and reportedly said, "I am now having a lunch with Chairman Kim in Uijongbu. We've decided to go to Sokcho."

Rep. Hwang was at a committee meeting when he was taken away by DP lawmakers, witnesses said. DP Rep. Kim Chung-cho ushered Hwang into the National Assemblymen's hall to have a paduk (go) game. Kim proposed Hwang to have a lunch in Yosu and could get him aboard a flight to Yosu with the help of fellow lawmakers, Yi Chang-hui and Won Hye-yong, informed sources said.

The DLP criticized the DP lawmakers' act as "a reckless act of kidnapping running against common sense."

### **Legislators Deny Being Abducted**

*SK0603115995 Seoul YONHAP in English 1150 GMT 6 Mar 95*

[FBIS Transcribed Text] Seoul, March 6 (YONHAP)—The two key ruling Democratic Liberal Party (DLP)

members of the National Assembly Home Affairs Committee, earlier reported to have been whisked away by opposition Democratic Party (DP) solons, now appear to have gone out of town not entirely against their will.

"I have gone to the east coast area to have a dialogue and I had enough talks," said Rep. Kim Ki-pae, chairman of the Home Affairs Committee.

Asked by a reporter at a Kangnung gas station near the Seoul-Kangnung Expressway if he were taken to Kangnung forcibly, Kim said, "I have come here for a dialogue."

DP solon Chong Kyun-hwan who accompanied Kim all the way to the unscheduled trip said, "We have been to Kangnung to have a dialogue. It was never a forcible action. We are going back to Seoul now."

The two legislators from rival parties took lunch at Uijongbu and drove to Sokcho and Kangnung by way of Pyongchang before coming back to Seoul through the Yongdong Expressway.

Meanwhile, the ruling party observed that Rep. Hwang Yun-ki's flight to the South coast town of Yosu could not necessarily be described as "kidnapping."

During a closed-door caucus, DLP Chairman Yi Chun-ku reportedly said, "Apart from Rep. Kim Ki-pae's case, it is hard to describe as kidnapping the case of Rep. Hwang Yun-ki who, together with opposition solons, boarded a Yosu-bound plane at Kimpo Airport."

Reports indicated earlier in the day the two DLP solons were taken to local areas against their will by DP legislators as part of the opposition's strategy to keep the Home Affairs Committee from acting on a DLP-proposed amendment to the integrated election law.

#### **Hyundai Allowed More Access to Financial Markets**

*SK0403060795 Seoul YONHAP in English 0521 GMT 4 Mar 95*

[FBIS Transcribed Text] Seoul, March 4 (YONHAP)—With the government's consent, the Korea Securities Dealers Association allowed Hyundai Motor Co. over the weekend to issue overseas global depositary receipts worth 90 million U.S. dollars in the second quarter of the year, signifying the removal of financial sanctions the government imposed on the group two years ago for its "involvement" in the 1992 presidential election.

This will lead the group to have relatively easy access to financial markets, including long-term loans from the Korea Development Bank (KDB).

The Hyundai group plans to raise 5.8 trillion won (7.25 billion dollars) for capital investment this year—4.3 trillion won for investment in plants and equipment and 1.5 trillion won for research and development.

Of the 4.3-trillion-won capital investment need, 1 trillion won will be met with KDB loans. Hyundai Motor Co. will reportedly apply for a KDB loan of 400 billion won shortly.

The KDB has denied the Hyundai group any loans over the past two years.

Following Hyundai Motor's KDB loan application, other Hyundai firms, such as Hyundai Electronics, Hyundai Precision and Industry, Hyundai Oil Refining, Hyundai Petrochemical and Hyundai Piper will also apply for KDB loans, as the bank recently shifted its lending policy from the group quota system to a case-by-case system.

The Hyundai group will also move to raise funds in the stock market by offering its unlisted firms for public sale on the market.

Hyundai Merchant Marine Co. and Hyundai Industrial Development Co. are expected to take steps for their initial public offering, or sharelisting on the stock market, after their general shareholders' meetings later this month. These two firms will be listed on the market later in the first half because of the market's current downswing.

And Hyundai Heavy Industries, Hyundai Industrial Development and Hyundai Elevator will be promoted to the regular market in the second half of the year from the irregular over-the-counter market.

The group also plans to let Hyundai Electronics and Hyundai Petrochemical go public by listing their shares on the stock market in 1996 and 1997, respectively.

To follow the government's industrial globalization policy, the Hyundai group announced in late January a groupwide restructuring plan for increased competitiveness on the world market and this plan was favorably accepted by the Finance and Economy Ministry and Chongwadae [presidential offices].

Finance and Economy Ministry officials said because the government has never slapped financial sanctions on Hyundai there was no need to lift such sanctions.

#### **Seoul Removes Financial Sanctions**

*SK0403022995 Seoul YONHAP in English 0156 GMT 4 Mar 95*

[FBIS Transcribed Text] Seoul, March 4 (YONHAP)—The Korea Securities Dealers Association approved Saturday Hyundai Motor Co.'s plan to issue Global Depositary Receipts (GDRS) worth 90 million U.S. dollars in the second quarter of the year.

The company will use the foreign-exchange funds raised overseas to finance imports of capital goods, association officials said.

The action was the first of its kind the association had taken for Hyundai Group firms since the Kim Yong-sam government set sail in late February 1993, indicating that the government has removed the financial sanctions imposed on the Hyundai Group for its "involvement" in the 1992 presidential election.

This will encourage Hyundai firms to apply for listings on the stock market and for long-term development loans from the Korea Development Bank, business sources said.

The association also gave the green light to plans of 16 companies to issue debt instruments totaling 426.6 million dollars abroad in the April-June period, including Samsung Electronics' 150 million dollars and Samsung Heavy Industries' 50 million dollars.

## Burma

### Thai Military Team's Goodwill Visit Reported

#### Team of 24 Arrives

*BK0403092195 Rangoon Radio Myanmar in Burmese 1330 GMT 3 Mar 95*

[FBIS Translated Text] A 24-member goodwill delegation led by General Chetta Thanacharo, assistant army commander of the Royal Thai Army, arrived at the Yangon [Rangoon] International Airport [YIA] on a special flight at 0815 today. The goodwill delegation was welcomed at the YIA by Lieutenant General Tin U, chief of staff of the Army; Lt. Gen. Maung Hla, military appointments general; Lt. Gen. Myo Nyunt, commander of the Yangon Military Command; Brigadier General Than Oo, military judge advocate general; Brig. Gen. Khin Maung Than, commander of the No. 11 Light Infantry Division [LID]; Brig. Gen. Sein Htwa, commander of the No. 77 LID; Colonel Ye Htut, commanding officer of the Defense Services Museum and Defense Services Historical Institute; Col. Kyaw Win, deputy director of the Directorate of Defense Services Intelligence; high-ranking military officers; Mr. Ponsak Nin-ubon, Thai ambassador to the Union of Myanmar; Col. Prajan Karasuddhi, defense attache of Thailand; and responsible Embassy personnel.

Next, the visiting general his party, accompanied by responsible personnel, visited Shwedagon Pagoda where they made cash donations to the pagoda. At 1200, Army Chief of Staff Lt. Gen. Tin U hosted a luncheon in honor of the visiting general his party at the People's Park Restaurant. The goodwill delegation left YIA on a special flight at 1430 today. The delegation was seen off by Lt. Gen. Tin U, chief of staff of the Army; Lt. Gen. Maung Hla, military appointments general; Lt. Gen. Myo Nyunt, commander of the Yangon Military Command; Major General Tin Ngwe, chief of staff of the Air Force; Brig. Gen. Than Oo, military judge advocate general; Brig. Gen. Than Tun, joint adjutant general; Brig. Gen. Khin Maung Than, commander of the No. 11 LID; Brig. Gen. Sein Htwa, commander of the No. 77 LID; and responsible personnel.

#### Deputy Commander Receives Team

*BK0303160795 Rangoon Radio Myanmar in Burmese 1330 GMT 3 Mar 95*

[FBIS Translated Text] General Maung Aye, deputy commander in chief of the Defense Services and commander in chief of the Army of the Ministry of Defense of the Union of Myanmar [Burma], received General Chetta Thanacharo, assistant army commander of the Royal Thai Army, and the delegates, who are visiting Yangon [Rangoon], at the Ministry of Defense's Dagon House at 1000 today.

Joining Gen. Maung Aye at the meeting were Vice Admiral Than Nyunt, commander in chief of the Navy;

Lieutenant General Thein Win, commander in chief of the Air Force; Lt. Gen. Khin Nyunt, chief of the Office of the Strategic Studies and director of the Directorate of Defense Services Intelligence; Lt. Gen. Tin U, chief of staff of the Army; and Lt. Gen. Maung Hla, military appointments general, while Gen. Chetta Thanacharo and the delegates were accompanied by Mr. Ponsak Nin-ubon, Thai ambassador to the Union of Myanmar.

### Opposition Urges Review of UK Business Plans

*BK0403112195 Oslo Democratic Voice of Burma in Burmese 1430 GMT 3 Mar 95*

[Statement issued by Burma Action Group in London on 2 March]

[FBIS Translated Text] Dear listeners: A thrust given to the business activities of British companies in Burma by British ambassador has prompted continued attacks by the SLORC [State Law and Order Restoration Council] military clique on refugees who are fleeing the war.

Regarding this matter, the Burma Action Group [BAG] in London issued a statement on 2 March. The statement received by the Democratic Voice of Burma reads: Mr. J.D.N. Hartland-Swann, British ambassador to the Union of Burma, who supports trade and industrial (?sector), made arrangements for the Second British Week Meeting currently held in Rangoon. The meeting is held to facilitate and give a thrust to the investment and business activities of the British companies in Burma. The statement says by making the meeting coincide with the 1995 Burma Trade Fair, British representatives can meet SLORC military leaders and also attend the seminars on trade and commerce that will give a push to investments in selected industries. At the same time, other Western nations are openly condemning and berating the SLORC military clique for its offensives against refugees in Thailand, who are fleeing the war, and ethnic groups along the Thai-Burmese border. The statement adds that is why [the BAG] does not welcome the British Government's economic development activities in Burma. The statement says [the BAG] is concerned that the holding of British Week Meeting might become a sign of support for the SLORC military group, while Australia's foreign minister, Gareth Evans, is telling the international community not to give any privileges to the SLORC military clique and the United States is threatening to isolate Burma if there are no improvements there.

The statement says the BAG demands the urgent review of the British envoy's enthusiastic support in making business deals with the SLORC military clique. The BAG also demands that Great Britain openly express its condemnation and criticisms for the present offensives by the SLORC military clique.

**Karen Leader Lauds Thai Mediation Offer**

BK0603041495 Bangkok THE NATION in English  
6 Mar 95 pp A 1, A 6

[FBIS Transcribed Text] Duplaya, Burma—Karen guerilla leader Gen Bo Mya has welcomed Thai Prime Minister Chuan Likphai's initiative to mediate in peace talks between his armed ethnic movement and the ruling Burmese junta.

He also urged the premier to provide security for the 70,000 fugitive Karen refugees in Thailand, who have been killed, harassed and abducted by Karen and Burmese forces, that surreptitiously cross the border and enter their camps.

In his first interview since the Karen National Union (KNU) lost two of its strategic strongholds, including its Manerplaw headquarters, to the Burmese army, Bo Mya said he had last week sent a letter to Chuan welcoming and thanking him for his peace initiative.

The KNU, he said, "has never rejected peace talks which would bring genuine and lasting peace" to the country, but it is the Burmese junta, officially known as the State Law and Order Restoration Council (Slorc), who have insisted on a "temporary ceasefire".

The Karen general said his movement agreed with Chuan's offer and is still waiting for a reply from him. "We have sent a letter to him. We agree with everything he said, and it would be our pleasure to talk with Slorc."

Chuan stated late last month that Thailand wanted to see the warring parties hold talks in order to restore peace in Burma and he was prepared to help bring the two parties—KNU and Slorc—to the negotiating table.

The premier's offer is seen as a direct response to the exiled Burmese Buddhist monk Sayadaw Rewata Dhamma, who strongly urged, after a one month visit to Burma, that Chuan mediate between the two parties, saying this was the best solution for the two countries.

While Bo Mya agreed that the decision to have Thailand mediate rests with Slorc, which has repeatedly rejected a third party's involvement in peace negotiations arguing that the matter was Burma's internal affair, he said he believes that "if Thailand put pressure on the Slorc, it could make peace talks possible. Slorc has no respect for Thailand or the Thai authorities. They entered refugee camps and shot at refugees and Thais."

"If Thailand wants to do business with Slorc, they should assist the KNU in such talks. If there is peace here, there will be no problem doing business."

The Karen general has urged Chuan to also provide security for Karen refugees in border camps, saying that the KNU "can't really take care or be responsible" for them as they are on Thai soil. "If we were given the authority to look after the refugees, we could stop it (the harassment)."

Slorc, he said, is directly involved in the frequent and violent harassment of the refugees, as well as Thais, but has tried to blame the raids on the rival breakaway Karen group, the Democratic Kayin Buddhist Organization (DKBO).

"Slorc has sent troops into refugee camps, looting and taking refugees' possessions ... They have tried to make people believe that it was the work of the DKBO, but in fact it was their own soldiers."

The camps, he said, are close to the border and the frontier is only separated by the narrow Moei River, making it easy for Burmese troops to cross anywhere and anytime they pleased.

The Thai government and Thai border authorities have, in the past month, filed several unheeded protests over the repeated and ongoing territorial violations, intrusions into refugee camps, the shooting, killing and kidnapping of several refugees, KNU leaders and Thai people.

Bo Mya said he realized that the world community and the UN have not only failed to stop the Burmese military offensive against the KNU, but also supported the Burmese junta by continuing their arms sales and economic deals with Slorc.

"The international community only cares about their own prosperity and business ties (with Slorc). Slorc has received weapons and ammunition from China so they can launch these huge offensives against us. If Slorc was not supported by the international community, they wouldn't fight us."

"I want to tell the international community that Slorc is not a legitimate government, and it is not for the people. I want them (the world community) to apply pressure on Slorc, to stop doing business or selling arms to them," he appealed.

The KNU, said Bo Mya, would have proceeded with its peace efforts since last year as it had agreed to enter into first round peace talks in Rangoon, but the Slorc unexpectedly changed the meeting venue to the Mon state capital of Moulmein.

Despite the fall of the KNU bases at Manerplaw and Kawmura, the 68-year-old general has vowed to carry on the struggle for democracy and "Karen national rights" through guerrilla warfare. "I don't feel discouraged at all, and neither do other KNU leaders. If you really love your people and your country, you will never give up. People who feel discouraged or disappointed are just fake freedom fighters."

The KNU will in the next few days hold an emergency meeting to work out its plans for the future, including military and political strategies and a reshuffle of its 45-member central committee. Bo Mya did not disclose anything about the new KNU leadership, but said "we will increase the number of younger people on the committee."

### Opposition Coalition Meets in 'Liberated' Area

*BK0503101595 Oslo Democratic Voice of Burma in Burmese 1430 GMT 4 Mar 95*

[FBIS Translated Text] Dear listeners: Reporter Ba Maung Thin of the Democratic Voice of Burma has filed a report from a location along the Thai-Burmese border on a meeting held by the Political Leading Committee [PLC] of the National Council of Union of Burma (NCUB). The NCUB PLC meeting was successfully held at a liberated revolutionary area inside Burma 1-3 March. The NCUB is a united front that represents revolutionary groups based in the liberated area. It comprises the National Coalition Government of the Union of Burma, the NCGUB; the National League for Democracy in the Liberated Area, the NLDLA; the Democratic Alliance of Burma, the DAB; and the National Democratic Front, the NDF. It is the first such meeting held by the front in the new liberated area. This may become the new headquarters following the SLORC's [State Law and Order Restoration Council] occupation of Manerplaw, the front's former base.

During the meeting, all aspects of the current political situation were discussed and assessed. On the military front, it was decided to engage in increased guerrilla warfare. On the other hand, it was also decided to strive to resolve political problems through political means. It has been learned that various political schemes were outlined at the meeting. Since the SLORC's takeover of Manerplaw, the international community's sympathy for the democratic forces has increased. Therefore, the meeting decided to seek continued support from the international community in the future and accelerate work to resolve Burma's political problems. According to one of the leaders attending the meeting, schemes were outlined for coordinating the guerrilla warfare tactics, political strategy, and diplomatic efforts.

A statement issued after the meeting says that a new KNU [Karen National Union] headquarters and a headquarters for the front have been established in a location in the liberated area.

### Brunei, Malaysia & Singapore

#### Malaysia

### Najib Returns From Bosnia; Views Use of Force

*BK0603093995 Kuala Lumpur Voice of Malaysia in English 0800 GMT 6 Mar 95*

[FBIS Transcribed Text] Our contingency plan will be drawn up to beef up the Malaysian battalion, Malbatt, in Bosnia-Herzegovina into a combat force if the UN decides to use military action to resolve the conflict in the Balkan nation. Defense Minister Datuk Sri Najib Tun Razak says Malbatt forces will be given sophisticated equipment and weapons if the government agreed to join the UN and North Atlantic Treaty Organization,

NATO, to use military force. Currently, the 1,500-strong Malbatt serving the United Nation's protection force, UNPROFOR, which have limited capability to fight an open war. [sentence as heard] He pointed out that there is still a big gap between Malbatt's capability as a peacekeeping force and combat force.

He told reporters this at the Subang International Airport in Subang near Kuala Lumpur on his return from Bosnia. Najib has led a delegation which included Chief of Defense Forces General Datuk Ismail Omar to Bosnia on 28 February to celebrate Id al-Fitr religious festival with the Malaysian troops. He reiterated Malaysia's stand that its troops will stay on in Bosnia as long as was possible. The UN mandate expires at the end of this month.

### Officials View Future of Derivatives Trade

#### Anwar Assures 'Firm' Policy

*BK0303134995 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 3 Mar 95*

[Passages in italics in English]

[FBIS Translated Text] The deputy prime minister has said that investors should not act hastily following the demise of the Barings Futures Singapore Private Limited. The nation has a firm policy on managing *derivatives* trading, and we have a guideline on the trading. Nevertheless, the event should serve as a lesson for all that such trading should be consistently monitored. Datuk Sri Anwar was answering questions from reporters in Kuala Lumpur.

[Begin Anwar recording] I do not expect the Barings affair to have an effect on any interests in Malaysia because the involvement of our financial institutions with the bank was very *minimal* or virtually non-existent. Their involvement was bound by an existing regulation. What is important is that we must understand that *derivatives* trading is a new, relatively sophisticated, financial instrument. This form of trading will not affect financial management if it is wisely monitored under tight restrictions. Initial information on the Barings affair showed there was a lack of monitoring and supervision because the trading was conducted in total disregard of a regulation and a guideline. We have provided a guideline for such trading. The Central Bank and the Securities Commission have given consideration to the trading, and I do not expect any problems arising from our involvement with this financial instrument. [end recording]

#### Mahathir Urges Discontinuation

*BK0303132395 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 3 Mar 95*

[Passages in italics in English]

[FBIS Translated Text] Prime Minister Datuk Sri Dr. Mahathir has called for the discontinuation of *derivatives* trading. He was commenting on the demise of the Barings Bank during a news conference in Kuala Lumpur.

[Begin Mahathir recording] I call for *derivatives trading* to be totally discontinued. However, the Central Bank believes that *derivatives trading* will still be possible if it is controlled. You can see how the largest bank in the world can *collapse* just for a simple mistake. So, what is *derivatives trading*, because there was none in the past? Well, if we want to have *futures trading*, there should be truly useful *futures trading*. This is a form of speculation almost like gambling, *gambling*. It is not a business, but *gambling*. [end recording]

Nevertheless, Dr. Mahathir said only useful *derivatives* trading involving commodities can be continued. Financial trading should not be continued.

[Begin Mahathir recording] I think that financial trading is unnecessary. What is the benefit of making money in that way? A bank can incur huge losses. While they will do their utmost to *cover* their losses, they will finally go bankrupt. Even the large Barings Bank had nothing more because the loss was *beyond* its assets. [end recording]

## Singapore

### Goh on Impact of Barings Failure; Meets Keating

BK0503120595 Singapore Radio Corporation of Singapore in English 1100 GMT 5 Mar 95

[FBIS Transcribed Text] The prime minister says there has been no impact on the Singapore markets following the collapse of the Barings group. Mr. Goh Chok Tong adds that the stock market was up, SIMEX [Singapore Monetary Exchange] was trading and there has been no losses in Singapore. Mr. Goh noted that looking at the reports from the investigations, the government thought that Singapore has done very well. The authorities had known what was coming and they had forewarned the people the people involved. Mr. Goh said it is an essentially an internal problem of the Barings group and a lack of control.

The prime minister also announced that Singapore and Australia will set up a high-level joint committee to maximize the countries strategic partnership. The prime minister said it will be led by permanent secretaries. Mr. Goh was speaking after meeting Australian Prime Minister Paul Keating.

Mr. Keating said both sides saw great potential in Australia and Singapore cooperating as third markets in the region and this would be one of the tasks of the joint committee which will be formed in a few weeks. Its focus will be on political, security and economic relations. It will give a report and a blueprint action to the leaders in about six months.

On tourism cooperation, Mr. Goh said both leaders have agreed that the Singapore Tourist Promotion Board should send missions to Australian states to explore investment possibilities. The two leaders also reviewed the APEC's [Asia-Pacific Economic Cooperation] Bogor Declaration and discussed ideas on getting the Osaka meeting going. Mr. Keating said they saw the need to give tangible expressions to the declaration and were happy that it was going well.

On defense cooperation, Mr. Goh said relations were excellent and Singapore was very thankful that Australia had given it space to train. He said both countries over the long term share strategic interest in the area.

This morning Mr. Keating laid a wreath at the Australian war heroes grave at the Kranji War Memorial. He is on a stopover at Singapore before leaving for visits to Germany and the Netherlands.

### Goh, Keating Agree To Set Up Bilateral Ties

BK0503123795 Melbourne Radio Australia in English 1100 GMT 5 Mar 95

[FBIS Transcribed Excerpt] The prime minister, Paul Keating, has paid tribute to Australians who were killed during the fall of Singapore in 1942. During the first leg of a four-nation tour, Mr. Keating visited the Kranji Commonwealth Cemetery where more than a thousand Australian servicemen and women are buried. [passage omitted]

Meanwhile, Australia and Singapore have set up a joint government panel to enhance their security, political, and economic relations. The decision was announced at the end of talks between Mr. Keating and Singapore's prime minister, Goh Chok Tong. Mr. Keating said the panel would be comprised of senior officials from the two countries. The two prime ministers also agreed to establish a \$1.5 million [U.S. dollars] fund for feasibility studies into joint participation by Australian and Singapore firms in third markets. Officials said that among the countries identified to a joint trade mission were China, Vietnam, and India.

## Cambodia

### Trade Ministry Hunts Forgers of MFN Permits

BK0603083395 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 5 Mar 95 pp 1, 11

[FBIS Translated Text] For the past year and more, that is, from the beginning of 1994 to this day, 26 countries, excluding the United States, have given the Kingdom of Cambodia the status of the Most Favored Nation [MFN] and have granted it the Generalized System of Preferences [GSP] to enable this country, which has been ruined by a war lasting over 20 years, to be restored and developed. However, during the past several months, after these countries provided Cambodia with this privileges, there

have been cases of fake MFN permits for the export of goods in demand. Action must be taken against this.

Reliable sources from the Trade Ministry revealed that fake MFN and GSP permits for the export of goods were discovered several months ago, but the ministry has only recently received clear information about them. The vouchers for the goods for export to countries giving the MFN status were issued in Cambodia, but the goods were produced mostly in Vietnam and Thailand.

The same sources added that most of the goods with fake export documents are garments. This is because the big countries now seldom produce goods such as these due to the high labor costs and the fact that they are turning to manufacturing goods with more modern technology. Therefore, they have imported garments from the developing countries with the MFN status. After receiving the MFN and GSP privileges, these countries will get more benefits from their exports.

The fake permits are made by merely forging the seal and the signature of the Cambodian trade minister. Because the authorities concerned of those countries are not familiar with the real signature of the Cambodian trade minister, they always allow the passage of any goods with permits bearing a Cambodian seal.

The sources said that the Cambodian Trade Ministry has found out about this because whenever the Trade Ministry officials went abroad, they were given information about larger amounts of garments than the real amounts Cambodia had exported. This is how we have learned about this matter.

This problem of fake MFN and GSP permits will cause a big loss to Cambodia. In particular, it will cause a reduction in the quota of many other goods to be exported by Cambodia in the future. Foreign investors will be reluctant to come to Cambodia. Another important point is that the project to build more garment factories in Cambodia—a labor-intensive sector—will also decline.

The sources added, however, that the Trade Ministry is hunting for the persons who made the fake MFN permits.

According to the same sources, the real culprits must be officials in the Trade Ministry.

#### **Australia Urges Guarantee of Media Freedom**

*BK0503103795 Melbourne Radio Australia in English  
0500 GMT 5 Mar 95*

[FBIS Transcribed Text] Australia has urged Cambodia to guarantee media freedom and the parliament free to criticize the government in an effort to fight corruption. Evan Williams reports from Phnom Penh that the call come amid repeated claims that high-level corruption and the tough treatment of journalists and critics.

[Begin Williams recording] Australia's ambassador to Cambodia, Tony Kevin [name and title as heard], told

an anti-corruption conference here the fight against corruption needs a free responsible press to investigate allegations and a free parliamentary assembly unafraid of challenging the government. Both have been limited by tough measures in Cambodia recently, including [word indistinct] one-year jail sentence.

Second Premier Hun Sen defends tough action against the press but admits a strong media is needed. He backs new anti-corruption laws to be enforced by a tough independent commission that donors want to see those put in place fast as a growing number of large development deals are signed with the limited transparency. [end recording]

#### **Government Denies Intent To Free Sin Sen**

*BK0503152595 Phnom Penh National Radio of  
Cambodia Network in Cambodian 1300 GMT  
5 Mar 95*

["Press Communique" issued by the Information Ministry on 5 March]

[FBIS Translated Text] Lately, a number of newspapers have speculated that a formality is being worked out to release Sin Sen [one of the July 1994 coup leaders] from prison. On behalf of the Royal Government, the Information Ministry wishes to reject the news categorically as groundless.

[Dated] Phnom Penh, 5 March 1995.

#### **Hun Sen Addresses Meeting on Anti-Corruption**

*BK0503122795 Phnom Penh National Radio of  
Cambodia Network in Cambodian 0500 GMT  
5 Mar 95*

[FBIS Translated Text] The participants in the conference on corruption welcomed the presence of Second Prime Minister Samdech Hun Sen as a sign of the Royal Government's determination to solve the corruption problem.

Addressing the meeting, Samdech Hun Sen said: The Royal Government of Cambodia [RGC] will not use the excuse that corruption is a normal practice that happens all over the world as a pretext to avoid fighting corruption in the Kingdom of Cambodia. The RGC, he added, will examine the conference's proposals on measures to eliminate corruption.

The conference has asked the Kingdom of Cambodia to set up an independent anticorruption commissariat and codify a law requiring all civil servants to declare their personal assets. Donor countries have warned that widespread corruption could cause concern over the future of foreign aid and cause investors to lose confidence in investing in the Kingdom of Cambodia.

#### **Rebel Radio Derides Anticorruption Pledge**

*BK0603042795 (Clandestine) Radio of the Provisional  
Government of National Union and National Salvation  
of Cambodia in Cambodian 1200 GMT 5 Mar 95*

[Unattributed commentary: "Take a Look at the Recent, Farcial Attempt by Communist Vietnam, the Alliance,

and the Two-Headed Government To Fool the World About the Two-Headed Regime's Corruption Crisis"]

[FBIS Translated Text] I. It was reported that Hun Sen attended a conference to fight corruption in the Phnom Penh regime. True to form as an arrogant hooligan, Hun Sen did not feel any embarrassment at all when he vociferously promised to the participants that he would work out measures to combat corruption in Cambodia as proposed by the conference. It was further reported that, on the one hand, the representatives of Australia, France, and the United States were dictating to Hun Sen what he should say and, on the other, that they were the only ones to applaud at the conference to show that Hun Sen, notorious for stealing from the nation, was sincerely concerned with the problem of corruption in Cambodia. The Australian representative seemed to be the one applauding the loudest, hoping to convince the international community to continue giving aid to the two-headed government.

II. A few hours later, Keat Chhon, a despicable puppet of communist Vietnam and Hun Sen's ass-licker, who has just snatched the Ministry of Finance from Sam Rangsi, announced a law to fight corruption in the two-headed regime.

III. All Cambodians in Phnom Penh as well as abroad and in the countryside, especially those in Phnom Penh and the world, scoffed at the lies made by Hun Sen, communist Vietnam's arch-lackey infamous for his extreme dishonesty, and Keat Chhon, a stooge of Hun Sen. People were laughing at them so hard they almost lost their teeth because they know the true nature of these snakes only too well. According to both domestic and foreign sources, it has been revealed that Hun Sen, Ranariddh, Chea Sim, Keat Chhon, Sar Kheng, and their wives have hoarded the following sums overseas:

1. Hun Sen and his wife have banked \$25 million or 2,500 million riels in certain Asian countries that we have been asked not to name and another \$8 million or 800 million riels in certain European countries.
2. Ranariddh and his wife have banked \$6 million or 600 million riels in certain Asian countries and \$12 million or 1,200 million riels in certain European countries.
3. Chea Sim and his wife have banked \$5 million or 500 million riels in Vietnam and \$7 million or 700 million riels in certain Asian countries.
4. Keat Chhon and his wife have banked \$6 million or 600 million riels in certain European countries.
5. Sar Kheng and his wife have banked \$3 million or 300 million riels in Vietnam, \$5 million or 500 million riels in certain Asian countries, and \$10 million or 1,000 million riels in the United States and certain European countries.

These are just a few pieces of evidence to make one wonder how the arch-traitors, who have sold out the

nation, murdered the people, gnawed their bones, sucked their blood for decades, and accumulated such huge amounts of money, can be believed when they said they would fight corruption? The people everywhere have concluded that these chief bandits of long standing, who are the proteges of the communist Vietnamese and imperialist aggressors of Cambodia, will never try to convict and arrest fellow bandits, nor will they really fight corruption. Any arrests will be only farcical ones that will be staged against small-fry transgressors who have taken petty bribes, and these so-called culprits will be sent to the tribunal for show-case trials and will be sentenced to jail terms so as to make people believe that they are sincere about fighting corruption. This is a very cunning trick of the buffoons. And these buffoons are purely Vietnamese creations. The masses throughout the country know their nature only too well. They cannot dupe anybody, not even the children. The masses know their true nature and are waiting for a chance and looking for a means to cut their throats. Only by cutting their throats can corruption in Cambodia be uprooted, the war in Cambodia terminated, and peace in Cambodia restored.

#### **Khmer Rouge Review Conflict With U.S.**

*BK0303130095 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 1 Mar 95*

[Station editorial: "In the Struggle To Defend Cambodia's Independence, Sovereignty, and Territorial Integrity, What Were the U.S. Imperialists Doing and Where Were They? What Was Democratic Kampuchea Doing and Where Was It? What Dangers Do Communist Vietnam and 4 Million Vietnamese Nationals Present to the Cambodian Nation, People, and Race?"]

[FBIS Translated Text] During one struggle after another over several decades by the Cambodian nation and people against their enemies to live as an independent, peaceful and neutral nation, what were the U.S. imperialists doing and where were they? What did Democratic Kampuchea do and where was it?

Answers to these questions show clearly that Democratic Kampuchea stayed very close to the Cambodian nation and people in all circumstances. Democratic Kampuchea always struggled and shared the weal and woe of the nation and people against their enemies, defending the nation and people with a patriotic spirit and the highest responsibility.

As for the U.S. imperialists, they were on the side of the enemies of the Cambodian nation and people at all times. They opposed the Cambodian nation and people in accordance with their true nature as imperialists and warmongers. This was the case in the past as it is now. Toward this end, the U.S. imperialists agreed to collaborate with communist Vietnam and those corrupt and stinking Cambodians whom the Cambodian nation and people detest and categorically oppose.

We would like to give a brief account of history to clearly reveal who are the great criminals and murderers guilty before history, the Cambodian nation and people, and mankind, and who are the patriots who struggle to save the nation and who have been loved and supported by the nation and people.

The most fascist murderers and criminals are:

1. The communist Vietnamese enemy;
2. The U.S. imperialists and the alliance, Australia, and France;
3. The traitors, including Hun Sen, Chea Sim, and Ranariddh, most fascist thugs and lackeys of foreigners.

The nationalists and those who struggle to safeguard the Cambodian nation and people and race are the Cambodian nation and people, Democratic Kampuchea, the Provisional Government of National Union and National Salvation, and all Cambodian nationalists.

As a basis for analysis and judgment, we would like to cite the following concrete events in each phase:

I. The pre-1970 phase: What the U.S. imperialists were doing and what Democratic Kampuchea was doing.

Before 1970, the U.S. imperialists used every means, overt and covert, official and unofficial, pressure, and sweet talk to get Cambodia—which had just rid itself of the devilish grip of French and Japanese imperialism—into the U.S. orbit. That is, to use Cambodia as a U.S. military base.

Cambodia was independent during the U.S. war in Vietnam. The Dap Chhuon coup in 1959 and the dropping of bombs and toxic chemicals by U.S. aircraft from 1960 to 1970 are clear evidence showing the face of the U.S. imperialists as great criminals. They are guilty. The proof is all over their faces.

Who were the resistance fighters? The Cambodian nation and people and Democratic Kampuchea. Democratic Kampuchea cooperated with other Cambodian national and popular forces to struggle for a Cambodia adhering to a neutral policy and to prevent Cambodia from becoming a U.S. military base.

Cabot Lodge, the U.S. secretary of state then [title as heard], was furious and opposed this. He said neutrality was unethical. The United States systematically carried out subversion and prepared coups to oppose and slaughter peaceful and neutral Cambodia. The Cambodian nation and people, however, opposed the U.S. imperialists and chased them out of Cambodia in 1963-1964.

II. The 1970-1975 phase: What the U.S. imperialists were doing. Who was fighting to defend the Cambodian nation, people, and race?

On 18 March 1970, the U.S. imperialists staged the Lon Nol coup, killing independent, peaceful, and neutral Cambodia and plunging the Cambodian nation and people,

who were living peacefully, into the flame of the U.S. imperialists' war of aggression in Vietnam. Hundreds of thousands of Cambodians opposed the U.S.-Lon Nol coup. Demonstrations were staged in various provinces and moved toward Phnom Penh. The demonstrators were fired on by cannons and machine guns by the U.S. imperialists and the Para troops of Lon Nol- Sirimatak. People were run over by tanks. Hundreds of thousands died. Bodies covered the earth, floated on the Mekong and Tonle Sap rivers, and were strewn over the four confluences in front of the royal palace in Phnom Penh.

What was this? Were the U.S. imperialists not at the root cause of this? Were they not the murderers? Hundreds of thousands of tons of bombs, napalm, and toxic chemicals were dropped from all types of U.S. imperialist aircraft. Did these bombs not kill, wound, maim, and incapacitate millions of Cambodian people, old and young, men and women, pregnant women, and babies in their cradles?

This question should be asked: What do the U.S. imperialists consider the lives of the Cambodian people worth? Are the U.S. imperialists not great genocidal murderers killing off the Cambodian race? This also should be asked: Who was carrying out the struggle and who defeated the U.S. imperialists' in their war of aggression? It was Democratic Kampuchea and the Cambodian nation and people who struggled to defeat first the U.S. imperialists and then Cambodian traitors. They were defeated in battle militarily, in the air, politically, diplomatically, and economically. They were beaten in their deceitful propaganda war, psychological warfare, the war of nerves, and the open and dark battles. They were beaten again and again, until they were finally defeated and fled Cambodia in 1975.

III. The 1975-1978 phase: This was a phase when the U.S. imperialists collaborated with communist Vietnam to systematically slaughter the Cambodian nation and people. The U.S. imperialists have in fact been collaborating with communist Vietnam to slaughter the Cambodian nation and people and Democratic Kampuchea resistance forces a long time ago.

Evidence from the 1970-1975 war shows that the U.S. imperialists and their agents worked with communist Vietnam to stage coups aimed at toppling Democratic Kampuchea many times and also aimed at toppling independent, peaceful, neutral, and nonaligned Cambodia. They were again, however, and again defeated.

Because their plans to topple Democratic Kampuchea through internal coups were defeated one after another, the U.S. imperialists and communist Vietnam collaborated to harass Democratic Kampuchea militarily along the land and maritime borders and on the islands. Communist Vietnam constantly waged war along the border while the U.S. imperialists sent many warships to attack Democratic Kampuchea, including the Mayaguez, which violated Cambodian waters and islands. U.S. warplanes bombed and destroyed the oil refinery the

Kompong Som port, and villages. The U.S. imperialists even sent B-52's to raze the town of Siem Reap in February 1976.

Democratic Kampuchea and the Cambodian nation and people struggled and smashed coup plans by the communist Vietnamese and the United States and communist Vietnam's war along the border.

IV. After 1978, when communist Vietnam sent hundreds of thousands to invade and commit aggression against Cambodia, what did the United States do? Who has been fighting to defend and safeguard the Cambodian nation, people, and race to this day? On 25 December 1978, communist Vietnam dispatched hundreds of thousands of troops to invade Cambodia. Communist Vietnam massacred Cambodians in a most barbarous fashion. Everywhere, from the plains, rivers, lakes, small and rocky hills, to towns and rural areas, was stained with the blood and flesh of the Cambodian people.

The Vietnamese killed whole villages of Cambodians. People were roped together, gunned down, and bayoneted and their bodies thrown into rivers and deep ravines in the Phnum Kravanh mountain range. Bodies of Cambodians littered the jungle, rivers, and the ground. At that time, who was fighting the communist Vietnamese to defend the Cambodian nation, people, and race? What did the United States do then?

The resistance fighters were Democratic Kampuchea and other forces of the Cambodian nation and people, who united to fight and smash the communist Vietnamese in their war of aggression and race extermination, forcing the communist Vietnamese to face increasingly difficult problems in every sector both in Cambodia and in Vietnam. It was in such a situation that communist Vietnam was compelled to sign the Paris agreement in October 1991.

Replying to the question: What did the United States do when communist Vietnam was massacring and exterminating the Cambodian race between 1978 and 1991? Everyone will immediately answer that the United States, on the one hand, stayed with ASEAN, which was concerned and opposed communist Vietnam in its war of aggression. On the other, the United States attacked the resistance forces and the Cambodian nation and people, particularly Democratic Kampuchea.

The United States collaborated with the communist Vietnamese aggressors to attack Democratic Kampuchea. They did this again and again, openly and secretly, militarily, politically, diplomatically, and economically, in the propaganda war, war of nerves, and psychological warfare to constantly break the resistance forces.

Democratic Kampuchea was patient, however, and endured the situation with a sense of responsibility for the fate of the Cambodian nation and people. It made efforts to rally friends from near and far to resist the genocidal communist Vietnamese. Just consider all this.

Who were the angels and who were the devils? The angel was Democratic Kampuchea, with its lofty ethics and good deeds. It is patriotic and highly responsible to the Cambodian nation and people. As for the U.S. imperialists, they were the devils and demons, unjust, unethical, undemocratic, lacking human rights, fascist, and the absolute worst. They relished rendering the flesh, blood, and bones of poor people.

During the implementation of the Paris agreement, the U.S. imperialists continued, in a fascist and savage way, their policy of opposing the Cambodian nation and people and the latter's resistance forces. The United States declared a policy of siding openly and officially and collaborating with communist Vietnam in July 1990 through the joint statement in Paris by U.S. Secretary of State James Baker and Soviet Foreign Minister Shevardnadze.

Based on the July 1990 alliance statement, the U.S. imperialists, ringleader of UNTAC and the alliance, collaborated with communist Vietnam and communist Vietnam's puppets to kill the Paris agreement and thus prevent Cambodia from having peace, thereby preventing Cambodian national reconciliation. Communist Vietnamese forces were maintained in Cambodia to continue the war there. UNTAC, led by the United States, Australia, and France, organized sloppy elections in the fully dictatorial communist Vietnamese regime and then set up the two-headed regime to continue communist Vietnam's war to slaughter the Cambodian nation and people to this day. They collaborated in every area, militarily and politically, and invested economically, financially, in military personnel and propaganda and psychological wars, and so on.

In sum, the U.S. imperialists have slaughtered the Cambodian nation and people for generations. They did this true to their nature as imperialists and colonialists who want to monopolize the entire world. Cambodia was not the only one trampled on by the United States. Third World countries everywhere in the world have been victims of oppression and exploitation by the U.S. imperialists and their clique. The U.S. imperialists are very guilty of being great war criminals and great genocidal murderers in the eyes of the Cambodian people, the people the world over, and humanity. The U.S. imperialists are not the plaintiff; they are the defendant. They have been found guilty of great genocidal crimes against humanity by the Cambodian people's court and the world people's court with evidence in their hands.

The Cambodian nation and people and their resistance forces have fought many times against the enemies of the nation, and old and new aggressors. They dare and know how to fight and win to defend the Cambodian nation, people, and race to this day. The Cambodian nation and people clearly know what is good and what is bad. The bad guys and the demons guilty of genocidal crimes against humanity are communist Vietnam, the United States-Australia-France alliance, and traitors Hun Sen,

Chea Sim, and Ranariddh. The good guys, the nationalists who struggle to save the nation are Democratic Kampuchea and the Cambodian nation and people.

The Cambodian nation and people consider the American people as good people, but think their leaders are great criminals. Furthermore, the Cambodian nation and people will not be drawn into a war of words with the U.S. imperialists. The Cambodian nation and people realize the danger to the survival of their people and race through annexation by communist Vietnam and Vietnamese nationals.

The struggle by the Cambodian nation and people is conducted in accordance with this situation.

### **Khieu Samphan to Nation: 'Intensify' Struggle**

*BK0603014895 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 5 Mar 95*

["Statement" issued by Khieu Samphan, prime minister of the Provisional Government of National Union and National Salvation, on 5 March; place not given—recorded]

[FBIS Translated Text] Esteemed and beloved compatriots: You all know how scattered and disintegrated the two-headed regime—instrument of the war of aggression of communist Vietnam and the alliance—has been in all fields and sectors, and how decrepit, dilapidated, and decaying it has now become. The military campaign launched by the two-headed government to free itself during this 17th dry season has begun to collapse at a time when the two-headed government is experiencing an all-around crisis far more serious than during the 16th dry season and when it is rotting through and through.

The sole, last-ditch hope of communist Vietnam, the alliance, and the two-headed faction has always been to solve the one million and one problems that have plagued them by using military force and, their despotic and fascist control, intimidating, threatening, and incarcerating the masses. This hope has now melted like wax in the fire or like salt in water.

On the Preah Vihear Province battlefield, they are awaiting their death because their advanced troops have either been killed or wounded or have almost completely deserted. As for Route 12, which is the main blood vessel serving this battlefield, it has been completely cut for three months now. On the Route 68 and Route 69 battlefields, they are also awaiting their death because these two roads have been cut into several sections. Ranariddh City at Rumchang has been razed. Siem Reap is completely isolated: contacts can be made only by plane. Route 6 has been cut for six months now. Battambang is being besieged from all directions. Route 5 has been truncated and so has the Pursat-Battambang railroad.

In this military campaign to free themselves during this 17th dry season, the U.S. puppet para [former non-Communist anti-Vietnamese fighters] forces of both

Ranariddh and Dien Del, which were so seriously scattered and decimated during the previous dry season, are also collapsing en masse. There are less than 400 of them left. The same thing is happening to the communist Vietnamese puppet forces.

What is the cause of all this? The cause is that they have incessantly ignited the war. They have forcibly drafted our people as soldiers and militiamen again and again and sent them to fight and get killed, wounded, or disabled in the flames of war by the tens and even hundreds of thousands every year. They have been killing off Cambodians so that they can replace them with Vietnamese, whom they have sent to swallow up Cambodia and turn it into another Kampuchea Kraom [Cambodian territory annexed by Vietnam in the 17th century] and to rob our land, orchards, rice, and timber, committing wholesale plunder of our country. They have caused our people to starve to death by the millions. Meanwhile, they have been spending hundreds of millions of dollars each year to buy tanks, armored personnel carriers, helicopters, cannon, and small arms to continue fanning the war against our nation and people.

Our entire nation and people have already passed judgment on them for their extremely reprehensible crime of betraying the nation and people and murdering the nation and people. For this reason, our entire nation and people are opposed to them and are fighting back against them. It is the people's right to protect their own lives and to defend their nation. During the past couple of years, the puppet troops of communist Vietnam and the U.S. puppet para forces have also been opposed to them, refusing to fight and die in their place. This is the main problem that has drained them of troops with which to fight. They can no longer conscript soldiers or militiamen. Their sponsoring bosses are also utterly frightened because the entire Cambodian people are opposed to the war and refuse to let them conscript new soldiers. If they have no soldiers with which to fight, everything is finished. The long-noses are not going to fight, nor are Hun Sen or Ranariddh. The latter are merely waiting for the day they will pack up and hastily flee abroad.

Esteemed and beloved compatriots, during the past 16 years communist Vietnam's war of aggression has been very savage and cruel. However, it has not been able to do away with our nation and people. When it came to Cambodia, UNTAC [United Nations Transitional Authority in Cambodia], too, failed to do away with our nation and people. And now the alliance is also failing to do away with our nation and people because our entire nation and people are resolutely fighting them.

Their military campaign to free themselves during the 17th dry season has also experienced one setback after another during the past five months. The 17th dry season is almost into its fifth month now. Time is running out. Nothing can save them at the end of this 17th dry season and the beginning of the 17th monsoon. Politically and socially, they have rotted to the core in all fields and in

all aspects. On the battlefield, they are experiencing defeat upon defeat. What psychological position should they take now in order to conform both with the wishes of our nation and people and the aspirations of the people in the region and the world, who want an end to the war and peace and national reconciliation to rebuild the country and make it prosperous again?

It is in such an excellent situation that I, Khieu Samphan, prime minister of the Provisional Government of National Union and National Salvation [PGNUNS], would like to appeal to our entire nation and people in the countryside as well as in Phnom Penh and abroad to please intensify your struggle in all forms to quickly end the war and create conditions for restoring genuine peace and achieving national reconciliation to save our nation and people and end the suffering and misery of our nation and people at all costs.

Moreover, I would like to stress once again that the Cambodian nation and people, Democratic Kampuchea, and the PGNUNS do not want to commit aggression against anyone, nor have they ever done so. We want only to coexist peacefully with all countries and people the world over. We urge the peace- and justice-loving countries and people in the world to take action to end the war of aggression in Cambodia and to bring peace to this country, the region, and the world.

#### **Rebel Radio Claims Army Commander Wounded**

*BK0603050795 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 5 Mar 95*

[FBIS Translated Excerpt] I. On 4 March Khan Savoeun [commander of 4th Military region] ran away in haste from Prey Phdau. He commandeered a west-bound truck in a bid to flee to Route 68. This truck was transporting 20 soldiers, three sacks of rice, seven crates of AK ammunition, 50 60-mm mortar shells, and some backpacks belonging to the soldiers. Khan Savoeun's west-bound truck was ambushed by the National Army of Democratic Kampuchea [NADK] and our people near Roluos. As a result, 10 soldiers were killed on the spot and seven others wounded; among them was Khan Savoeun, who fled for his life and hid himself in the bush. His minor wife, who was accompanying him to the battlefield, was killed during the fighting. The NADK and people seized the truck and all the materiel.

II. Five groups of our forces were sent to track Khan Savoeun down from the east, west, north, and south. Conversations over the enemy field radio network were overheard as calls were transmitted left and right asking for Khan Savoeun's whereabouts. On 4 March they searched for the missing Khan Savoeun all day and night. It is certain that Khan Savoeun has not yet eluded our encirclement. [passage omitted]

#### **Khmer Rouge Claim Ranariddh Wounded on Trip**

*BK0503141895 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 5 Mar 95*

[FBIS Translated Text] Ranariddh, the puppet of puppet Hun Sen, travelled in terror on 4 March to Stoung District aboard a helicopter that was protected by another [words indistinct] warplane. Upon entering Stoung District airspace, the warplane was shot down and destroyed by our village guards and people, immediately killing the three pilots on board and a communist Vietnamese puppet lieutenant general. The helicopter that Ranariddh was travelling in was hit twice by bullets fired by our village guards and people, causing it to spin down toward the ground, but it managed to fly off to the east. It crashed near Kompong Thom town.

According to the people, Ranariddh was wounded in the head and legs. The two pilots and Ranariddh's six bodyguards were also wounded. They immediately called a car from the provincial city to take them to Kompong Thom town. A helicopter was immediately sent from Phnom Penh to carry them to a hospital in the capital city.

It is reported that Ranariddh, the puppet of puppet Hun Sen, was ordered by the latter to come and bolster the morale of their troops who lost their courage on the Kompong Thom, Route 12, Preah Vihear, Siem Reap, and Oddar Meanchey battlefields. Ranariddh took the risk of coming reluctantly and with apprehension because he was terrified of being killed by our National Army of Democratic Kampuchea, village guards, and people.

This is a sign and omen that the doomsday of Ranariddh, who betrayed FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and ANKI [Sihanoukist National Army], is nearing. His life will be cut short by communist Vietnam and the communist Vietnamese puppets ordering him to travel near battlefields.

This news comes at the same time as a report that Khan Savoeun, Ranariddh's left-hand lieutenant, has been wounded and is fleeing for his life west of Route 68. It also coincides with the report that Nhoek Bunchhrai is in a panic and crying without tears because he was defeated on the Siem Reap, Preah Vihear, Route 12, and Oddar Meanchey battlefields. As for Prum Samen, the joint commander of the two-headed troops, he was also defeated on the Preah Vihear, Siem Reap, and Oddar Meanchey battlefields. He is shedding tears with blood because he suffered extremely serious setbacks on the Preah Vihear battlefield.

#### **Khmer Rouge Refutes Capture of Anlung Veng**

*BK0503104695 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 4 Mar 95*

["Statement" issued by the National Army of Democratic Kampuchea spokesman on 4 March; place not given]

[FBIS Translated Text] 1. Following the lead of Nhoek Bunchhai [first deputy chief of the Khmer Royal Armed Forces General Staff], the two heads, Khan Savoeun [commander of the government's 4th Military Region], and press agencies controlled by the warmongering alliance have repeated that the two-headed clique has captured the Anlung Veng base and that their troops and a group of surrendering elements are on the way to occupy it.

2. In fact, we are not supposed to respond to the claims of Nhoek Bunchhai because he is a border bandit who systematically stole oxen and the busts of statues in recent years. He is a self-appointed commander of the evil Ranariddh, an out-and-out lackey of both the United States and communist Vietnam. Telling lies is part of Nhoek Bunchhai's life.

3. What is the truth? In reality, the two-headed troops, which launched a military campaign for more than five months between October 1994 and early March 1995, have been repeatedly defeated on Cambodia's northern battlefields, including the Preah Vihear, Route 68, Oddar Meanchey, and Siem Reap battlefields. Thousands of their troops have been killed or wounded or have deserted. Route 12 has been cut off for several months and Route 6 for over seven months while many sections of Route 68 have been blocked for months. Two-headed reinforcements have been sent to the northern battlefield successively and have been completely destroyed each time.

By the end of February 1995, the military situation was as follows:

In Preah Vihear, Nhoek Bunchhai cried out hoarsely. His tears turned into blood. This is because more than 80 percent of the 2d Division and more than 90 percent of the 14th Division were killed or wounded. The Preah Vihear provincial troops were completely destroyed. They were forcing people and militiamen, some of whom did not know how to handle a gun, to serve as provincial troops. Prum Samen was nearly dead.

In Siem Reap, Varin, and Sre Noy, enemy forces were killed or wounded every day; over 90 percent of them were worn out. In spite of rescue attempts by Siem Reap's 4th Military Region and envoys from the puppet General Staff in Phnom Penh, nothing could be done. In Siem Reap, the enemy had no strength to fight for the past few months. No soldiers could be recruited; if they managed to recruit some, those soldiers would not dare to fight because there were all kinds of landmines and punji stakes everywhere. There was no water or rice. Uncollected corpses, which became fodder for wild boars and wolves, were all over the forest.

In the west, from Route 68, Samraong, Chongkal, and Srei Snam to Kralanh, Ranariddh's frightened 3d and 7th Divisions sallied out a few kilometers along Route 68 but were besieged by our landmines and punji stakes or gunfire, causing them to die of starvation or thirst. So far 80-90 percent of them have been killed or wounded or

have deserted their ranks. The louder Khan Savoeun and Nhoek Bunchhai shout to fool the people on Ranariddh's orders, the more they are defeated. Now there are only a few old soldiers left in the 3d and 9th Divisions. Because they cannot round up people to fill the gaps, they have completely lost control over the Ranariddh-ruled Rum-chang kingdom. They have almost completely lost control over Route 68 and Samraong while their troops sent to the area east of Route 68 have been totally destroyed.

At the Anlung Veng base, the people and the National Army of Democratic Kampuchea are currently preparing land to plant crops at the beginning of the rainy season. Moreover, at the beginning of the month of Phalkun [February-March], the people managed to produce hundreds of thousands of punji stakes each day and ship them to the Route 68, Sre Noy, Kulen, Choamkhsan, Tbeng Meanchey, Route 12, and Route 6 battlefields. Countless mines have also been produced to attack the enemy from the front, behind, and on the sides, killing a few of them each day. Major newspapers have reported on many occasions that scores of two-headed troops have been killed in Preah Vihear and Siem Reap Provinces and that there is no room for the thousands of wounded soldiers at the Siem Reap provincial hospital and even at hospitals in Phnom Penh.

On Moug battlefield, the worn out two-headed troops are being destroyed and swept away since the beginning of March. They will be completely crushed between now and the end of the 17th dry season in 1995.

4. It is conspicuous that the communist Vietnamese enemies, the alliance, and the two heads that launched the campaign for more than five months from October 1994 to early March 1995 have been defeated every time. They have none of their old soldiers left. They can no longer recruit new soldiers; they can enroll some, but they later desert the battlefield completely. They lack everything, including rice and ammunition, and their supply lines have been cut. They can only ship supplies by helicopter. This being the case, even a child living in a monastery can clearly see that those who wage war in such a manner will ultimately be defeated.

Why are Nhoek Bunchhai, Khan Savoeun, Prum Samen, the two-headed clique, Hun Sen, Ranariddh, Tie Banh, and so on trying to fool people into believing that they were triumphant in this or that area and have already captured the Anlung Veng base? Why did they claim success when they suffered a shameful defeat? All in all, people say that their claim of victory at Anlung Veng is nothing but a deception to aid their request for more foreign aid at the upcoming Paris conference. This is a maneuver to swindle a tycoon conducted by a con who loses everything. The con lies to the tycoon to obtain more money for gambling. What tycoon is willing to continue to give assistance to such a smelly and rundown dog?

Nhoek Bunchhai, Hun Sen, and Ranariddh: Your doomsday as out-and-out foreign lackeys has already arrived. Your fate will be more tragic than that of Lon

Nol and Sirimaktak and more awful than that of Dap Chhuon Put Chhai [traitor shot during former Sihanouk regime].

4 March 1995

National Army of Democratic Kampuchea

### Indonesia

#### Chairman Dismisses U.S. Threats on Copyrights

*BK0603073995 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 6 Mar 95*

[FBIS Translated Text] Indonesia should not worry about U.S. threats to investigate alleged copyright piracy and impose trade sanctions because Indonesia has never committed copyright violations.

Speaking to reporters in Jakarta, (Sonny Fransley), chairman of the Indonesian Computer Businessmen Association, said the United States will investigate piracy of copyrighted computer software, especially compact disks and multimedia software. He said, however, that the government should not worry if such pirated software is found in Indonesia because these items are not entirely manufactured in Indonesia. REUTER has reported that the United States is launching the antipiracy campaign because of \$92 million in annual losses due to copyright piracy. The PRC was the first target of U.S. antipiracy operations.

Meanwhile, Nico Kansil, director general of copyrights, patents, and trademarks, said even though the government has made efforts to protect foreign copyrighted goods, it must be admitted that piracy still exists in Indonesia. Speaking to reporters in Jakarta, Kansil said his office has made efforts to inform the public about honoring other people's intellectual property. He said the government has not yet received an official report on U.S. allegations of copyright piracy. If the United States believes that Indonesia is a country where copyright piracy is rampant, that country is fully entitled to do so.

#### Colonel Syahnakri Details Liquica 'Incident'

*BK0503094795 Jakarta GATRA in Indonesian 25 Feb 95 pp 27, 28*

["Excerpts" of a "special interview" with Colonel Kiki Syahnakri, commandant of the Wira Dharma Regional Command, by an unidentified correspondent at the Colonel's "residence"; date not given—passages in italics published in English]

[FBIS Translated Text] [GATRA] Can you give an account of the 12 January 1995 incident?

[Syahnakri] I received a report on the incident at about midnight on the night in question. I remained cautious upon learning of the incident because there could have been a mistake regarding the number of people killed.

[GATRA] What do you mean?

[Syahnakri] It is like this: The GPK [security disturbance movement] group living in the jungle will run away immediately upon hearing shots fired. Only one or two of them were caught during the armed clashes with the group. There could have been a lot of them. I felt uneasy. I formed a reconnaissance team to investigate the incident. Captain Edison, the deputy chief of the Intelligence Section, headed the team.

[GATRA] Looking at the number of people killed, the public accused your soldiers of deliberately and indiscriminately shooting at people without any intention of letting them surrender.

[Syahnakri] Soldiers will not shoot at anything without a reason. In fact, there was an exchange of fire between the soldiers and the group. How did my trooper Studio Baretto suffer his injuries if this did not occur? He is still undergoing treatment at Wira Husada Hospital.

[GATRA] Is it true that those killed were Fretelin [Revolutionary Front for an Independent East Timor] GPK members and not civilians?

[Syahnakri] Two of the six killed were confirmed to be Fretelin GPK members. The remaining four were suspects from the group's cell—people who were recruited and trained to assist the GPK. We have proof of this; we have documents in our possession indicating their involvement with the GPK. Among other things, there is an audio cassette of propaganda material regarding East Timor's independence.

[GATRA] How can you be sure that they were GPK members?

[Syahnakri] We received information from the public regarding their presence in Gariana. The GPK had been providing training to the four people that were eliminated. They had been missing from their villages for two months, then suddenly appeared. The residents reported them to the ABRI [Armed Forces of the Republic of Indonesia]. In addition, we seized some documents on this issue.

[GATRA] Did you believe the public information to be legitimate?

[Syahnakri] We analyze any information we receive. The local security apparatus was also continuously monitoring their activities. This indicated that the group's activities had increased; thus the action taken by the ABRI and the public. Then the 12 January incident occurred.

[GATRA] Eventually the public heard about the incident. How did you react to this?

[Syahnakri] Upon receiving the report, I instructed Lieutenant Colonel Budi Atmaja, head of the Intelligence Section of the Wira Dharma Regional Command, to conduct patrols to keep the situation under control, and this led to the armed contact in the district. Reconnaissance was carried out. The team was assisted by several local people so the reconnaissance would be more objective.

[GATRA] You were fully aware that the incident would have longterm effects. Were procedures carried out incorrectly during the incident?

[Syahnakri] Procedures were executed correctly based on the outcome of the reconnaissance. In fact, three days prior to the incident, the ABRI had been closely monitoring Gariana village as a result of some reports received on the group's activities. Some 38 local military personnel from Liquica, assisted by a public security team, made observations from a hilltop overlooking the objective. At 1730 on 12 January, Captain Jermais Kase, head of the observation team, instructed one of his troopers, Private Second Class Studio Baretto, to enter a house where the GPK members were taking refuge and ask them to surrender. The request went unheeded. The trooper was attacked when he tried to open the locked door. He staggered, fell, and was shot at.

[GATRA] What happened after that?

[Syahnakri] Upon seeing this, the other troopers observing the situation reacted. The GPK members ran out of the house helter skelter and a firefight ensued. As a result, six GPK members were killed.

[GATRA] Is it true that reports said there were 40 GPK members cornered in the house?

[Syahnakri] We caught a man there on 14 February by the name of Duarte. We learned from him that there had been 40 armed GPK members belonging to the groups headed by Coni Santana, Antoni Alves, Mariano, and Ernesto. According to Duarte and the public information received, the group was planning to carry out an armed action in Liquica. This report confirmed the information we had received on 9 January. The military command received a report that there were about 40 GPK members in Desa Gariana while another report said there were about 12 of them there. These were the only reports we received. In fact, the security apparatus had been monitoring the group's activities three days prior to the incident that finally flared into an armed clash on 12 January.

[GATRA] Why did the group choose Liquica? Was it because Liquica is strategically situated?

[Syahnakri] Liquica is near Dili (35 km) and is considered a highly strategic point. If the group's strategy was to win external attention, then reports of an attack on Liquica would spread rapidly to the outside world. The situation would be somewhat different if the incident occurred in either Baucau or Los Palos; it would be considered meaningless. The attack was foiled, however, and numerous villagers suffered following the deaths of the six people.

[GATRA] Was the objective of attracting global attention not achieved? Now the whole world knows about the incident.

In connection with this incident, is it true that there are some influential people in East Timor who still do not accept integration?

[Syahnakri] That is possible. There is a possibility that they still have a *link-up* with the Fretelin GPK.

[GATRA] Do you mean to say that they belong to the *clandestine* group?

[Syahnakri] *Clandestine* groups exist everywhere. Numerous such groups exist outside of East Timor, but only a handful of such groups truly exist there. Three groups exist within the GPK: The armed group, the cells that provide logistical support, and the *clandestine* group. The latter pursues a silent political struggle—the Fretelin underground movement operates silently by associating itself with civilian government officials and the public. Do not be surprised if some officials belong to the *clandestine* movement.

[GATRA] There are rumors that some of these officials are supplying funds to the GPK. Is this true?

[Syahnakri] (Maintains a long silence). The Liquica military command reports that the GPK acquires *clandestine* funds from public organizations, particularly from the Fretelin's CNRM [expansion unknown]—the Fretelin's military wing. They can collect funds anywhere and from anyone, including civilian government officials as well as other sources.

[GATRA] What is your opinion of the ABRI factfinding team from the military headquarters?

[Syahnakri] This is a sensitive issue. I need to be careful in making statements on this to avoid any more problems in case I say something out of line.

[GATRA] What active role did you play in assisting the ABRI team?

[Syahnakri] I only provided information needed by the team; for example, I provided the team with the information that led to the outbreak of the incident. We provided any assistance the team needed.

[GATRA] What is your view of the proposal to set up a public security council?

[Syahnakri] The decision rests with the central authorities if incidents similar to the 12 November 1991 incident in Santa Cruz, Dili recur.

[GATRA] Are you prepared to face the worst, similar to what happened to the three officers that were fired over the Dili incident or the nine other officers that were court martialed?

[Syahnakri] As a soldier who has carried out his duty, I am ready to face the consequences.

#### Report on Shooting Incident in Liquica

##### Commander: No Fault With NCHR

BK0303095695 Jakarta Radio Republik Indonesia  
Network in Indonesian 0500 GMT 3 Mar 95

[FBIS Translated Text] Major General Adang Rukhiatna, commander of the Udayana Ninth Regional Military Command, says he cannot find fault with the

National Commission on Human Rights [NCHR] after the commission conducted its investigation into the shooting incident in Liquica and came to the conclusion that there was a violation of human rights. Speaking to reporters at Dili's Komoro Airport yesterday, Maj. Gen. Rukhiatna said it is normal for the commission to have reached such a conclusion because the criteria used by the commission are not necessarily the same as those used by the Indonesian Armed Forces. He said the presumption of innocence is still valid during the current investigation process, which has not yet reached final conclusion of the case.

#### **Army Chief: Possible Penalties**

*BK0603101395 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 6 Mar 95*

[FBIS Translated Text] General Hartono, the army chief of staff, says the penalty for those responsible for the shooting incident in Liquisa should not necessarily be the same as that for those convicted in the Dili incident of November 1991. Speaking in Pamekasan, Madura, yesterday, Gen. Hartono said he was still awaiting a report from the Honorary Military Council, which is currently investigating the case. Gen. Hartono said a court martial will have full authority to impose penalties on any army personnel convicted in the Liquisa case.

He said the differing results of the investigations into the Liquisa case are caused by the fact that the National Commission on Human Rights looked at the issue from a human rights angle while the Honorary Military Council looked at it from a military angle. The army chief of staff noted that few military personnel are stationed in East Timor and their presence is aimed only at countering the activities of armed troublemakers.

#### **Philippines**

##### **Paper Views U.S. Decision on Troops in Region**

*BK0303125395 Manila THE MANILA CHRONICLE in English 2 Mar 95 p 4*

[Editorial: "A Sea-Change in U.S. Policy"]

[FBIS Transcribed Text] The American decision to shelve plans to reduce the 100,000 troops deployed in East Asia shows a sea-change in American foreign and defense policy and will do much in stabilizing a region that is rich in economic success stories as well as potential flash points. It also shows renewed American confidence fostered no doubt by recent United States foreign policy triumphs, most notable and most recent of which is its success in compelling Beijing to crack down on intellectual piracy and copyright infringements.

The announcement could not have come at a better time for Manila, which is currently in a dustup with Beijing over the latter's encroachments in the Kalayaan Islands. Manila's myopic lens see the American change of heart as a way of coming to the aid of an embattled ally—there

will always be a tendency on our part to be sentimental. The fact however is that the United States has radically come to appreciate the geo-economic value of the East Asian region as illustrated by its increasingly active role in the Asian-Pacific Economic Cooperation forum. It is to America's best interest to maintain a strong military presence in the region.

Only two years ago, U.S. diplomats such as Frank Wisner, the U.S. defense undersecretary for planning and a former ambassador to the Philippines, were downplaying the Chinese military buildup in the South China Sea. The view pooh-poohs the increasing concern by a significant number of Asian capitals about the possibility of hostilities erupting in what is the most economically dynamic region in the world.

Led by Tokyo, the Asian capitals had been alarmed over China's increasing ability to project military forces beyond her borders, an alarm that rose several degrees higher after U.S. bases were forced out of the Philippines and China declared sovereignty over the entire South China Sea, including the hotly contested Kalayaan. The developments happened as the former Soviet Union disintegrated and military pressure on China's northern frontier dissipated.

Until its diplomatic tiff with Beijing over the Kalayaan, Manila had not shared Tokyo's concern. Washington for its part appeared settled on an overly optimistic view of the situation, insisting on pursuing a policy of "constructive engagement" with China. The policy believes that by drawing Beijing into a widening network of interdependence with the rest of the world, her behavior as a regional power will become more predictable. The Americans also downplayed the Chinese threat to avert an arms race which would not only increase tension in the region but also add political pressure on Washington for increased military presence in Asia, something that would run counter to the U.S. priority of cutting back defense spending, balancing the budget, and improving America's industrial competitiveness.

Washington's conversion came due to a host of factors, but two come easily to mind, both interrelated. Manila's discovery of Chinese Navy encroachments in what is decidedly a part of the Philippines's exclusive economic zone drove home to the Americans the point that China has strong expansionist tendencies that must be checked now. China's expansionism owes to the second factor: the power struggle in Beijing over the right to succeed the dying Deng Xiaoping in which one faction would like to shore up its influence in the military by dispatching troops in a show of force in the South China Sea.

If at all, the American presence will provide stability in a region where the capitals are not reassured by the fact that the Stalinist regime in Beijing has been demonstrably erratic in its views and policies and has no clear rules on transfer of power.

**'Analysis' Views 'Dangerous' Spratlys Conflict**

BK0603100395 Manila BUSINESS WORLD in English  
3 Mar 95 pp 1, 6

["Analysis" by J.C.M. Romero III: "Spratlys Conflict Really Dangerous"]

[FBIS Transcribed Excerpt] Peaceful solution to the Spratlys conflict appears long shot creating fears that a diplomatic row between the Philippines and China would further complicate the situation and that other claimants in the oil-rich South China Sea territory would mix it up in a military confrontation.

Analysts interpret a reported deployment of additional forces in the disputed area as a departure from settlement and as a preparatory move for military action.

Manila learned the military buildup this week during which the region was pictured as a powder keg with five of the six claimants throwing in huge naval arsenal and an estimated head count of 3,000 troops.

Reports have it that the troops of China, the Philippines, Malaysia, Taiwan, and Vietnam are battle-ready in fortified bunkers. Their forces are reportedly beefed up with tanks and supported by frigates.

**High Tension**

With unclear agenda to withdraw the forces from the disputed territory, analysts say, tension will remain high. And with the possibility of a miscue among troops in an open siege as that in the Spratlys, they add, the disturbing situation could escalate into a shooting war.

Some observers in the diplomatic community also share apprehension by frowning upon the slow process of peace consultation in the face of military upsurge that could render settlement efforts unproductive.

It appears, they say, that the show of force in the region was a priority move over pushing consultation for regional harmony. Observation was clear that the claimants have fallen back on military strategy, they add.

Blowing the whistle in the territorial dispute was so far confined in the RP [Republic of the Philippines]-China row. But while bilateral talks shifted to the fax machine, there was no specific move to remove the troops from the territory.

Empirical view is that withdrawal of forces should precede peace talks, and under the circumstance it is difficult to understand just how the upcoming bilateral consultation on the controversy would bring positive results.

**Peace Mission**

Malacanang statements were mainly focused on sending a peace mission to Beijing on 19 March—a move described by some as an initial step towards resolving the issue, and by others as a weak decision because the venue

is not neutral and that Chinese troops have not yet cleared the disputed area. [passage omitted—background on Spratlys conflict]

**ASEAN Forum**

Analysts agree that had the problem been brought before the ASEAN (Association of Southeast Asian Nations) Regional Forum (ARF) instead of resorting to defensive military movements, the Philippines could have enjoyed advantage in her case against China.

ARF is the first ever forum on military and security in the region. On the initiative of the Philippines during last year's meeting in Bangkok, the conclave was alerted that the Spratlys would be a flashpoint in the region.

It was made clear in a consensus that intrusion "is taboo in the spirit of Asian harmony," and that in resolving such controversy contentious issues should be avoided.

With both Chinese and Filipino troops thrown into the territory, analysts say, it becomes automatic for ARF to brush aside the controversy and leave both protagonists to settle the conflict on their own.

Aside from the scheduled 19 March Beijing talks, President Ramos and his Chinese counterpart will try to chance upon each other and discuss things during a global meeting of leaders in Denmark next week.

But Mr. Ramos himself admitted in a television statement that tight schedule for the United Nations World Summit would make it impossible for both leaders to touch on the Spratlys.

Which should mean everything falls back on the shoulder of the Philippine Mission to Beijing.

How to prevent military action in the disputed region is a question that requires bilateral answer.

Meantime, commitment for regional peace overflows from the Spratly claimants. But they would say one thing and do another.

How dangerous.

**Ramos Leaves for Visit to Europe, Middle East**

BK0503122995 Hong Kong AFP in English 0628 GMT  
5 Mar 95

[FBIS Transcribed Text] MANILA, March 5 (AFP)—Philippine President Fidel Ramos left Sunday for a 12-day official visit to six countries in the Middle East and Europe to attract foreign investments and improve bilateral ties.

Ramos left for the United Arab Emirates capital of Abu Dhabi on the first leg of the trip that includes the Netherlands, Turkey, Iran, Denmark and Britain.

The Philippine leader was accompanied by his wife, Amelita, 14 government officials and 77 Filipino businessmen. At least 19 joint venture agreements are expected to be signed during the trip.

Ramos will address the World Summit for Social Development in Copenhagen on March 12, which will be attended by some 130 world leaders.

Ramos will meet with Queen Beatrix of the Netherlands, Queen Margrethe II of Denmark and Queen Elizabeth II of Great Britain.

He will also hold talks with Sultan Al Nahayyan of the UAE, Dutch Prime Minister Wim Kok, Turkish President Suleyman Demirel, Turkish Prime Minister Tansu Ciller, Iranian President Hashemi-Rafsanjani and British Prime Minister John Major.

Ramos said he will inform leaders of the UAE, Iran and Turkey about Manila's peace talks with Moslem rebels in the southern Philippines.

The three are members of the Organization of Islamic Conference, which is supervising the talks expected to culminate in June in Jakarta.

"We also seek—where necessary and appropriate—to enlist the cooperation of these states in the fight against terrorism and against the supply of arms and illegal drugs to rebel and criminal elements," Ramos said.

He did not give details but the military suspects some foreign countries of training and supplying arms to the Abu Sayyaf, an Islamic fundamentalist group based in the southern island of Mindanao.

Ramos said he will thank the Netherlands for their "generous" financial assistance but will also seek to dispel "some misunderstanding of current conditions in the Philippines."

He was apparently referring to a Dutch government decision to allow exiled Communist Party of the Philippines (CPP) leader Jose Maria Sison to seek political asylum on grounds that his life is in danger if he returns to the Philippines.

#### **Ramos: Shift Military Role to External Threats**

*BK0403083195 Hong Kong AFP in English 0433 GMT 4 Mar 95*

[FBIS Transcribed Text] Manila, March 4 (AFP)—Philippine President Fidel Ramos on Saturday called for a shift in the military's role from a counter-insurgency force to a modern external defense force which also protects the country's economic development.

Speaking at the graduation of cadets at the Philippine Military Academy (PMA), the country's counterpart to the US West Point, Ramos said the military faced "two basic changes."

These included the handing over of internal security responsibilities to the national police and a comprehensive modernization program, he said.

"With our redefinition of national security to mean the protection and promotion, not only of our political but also of our economic interests... the AFP (Armed Forces of the Philippines) has... to re-engineer itself," he said in a speech broadcast live by state television.

"Now, more than ever, we need a truly professional armed forces, a modern armed forces," he said, adding that the passage last month of a bill allocating five billion pesos (two billion dollars) for the modernization of the military, would allow it to face external threats.

Ramos did not say which external threats the country was facing, nor did he mention the occupation by Chinese forces of a reef in the Spratly islands chain also claimed by the Philippines.

The Chinese occupation of the reef, which came to light last month, and the Philippines' inability to counter it highlighted the virtually non-existent external defense capabilities of the military.

The AFP has traditionally concentrated on fighting local communist and Moslem separatist guerrillas, leaving external defense to US military bases in this country.

But the Philippine senate expelled all US bases in this country in 1992 even as the government decided that the insurgent movements had weakened enough to leave to the national police, the main burden of fighting them.

#### **Operations Against Communists To Continue**

*BK0603021795 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 5 Mar 95*

[Passages in italics in English]

[FBIS Translated Text] The government's counterinsurgency operations will continue in spite of scheduled formal negotiations between the government and the National Democratic Front in June. This is the response of Defense Secretary Renato De Villa to CPP [Communist Party of the Philippines] leader Jose Maria Sison. Earlier, Sison had called for a reduction of military offensives against the NPA [New People's Army] so as not to jeopardize the formal peace talks that will start on 1 June in Belgium. According to De Villa, although they fully support the peace process, they still have to perform their duties to protect the citizens and the republic.

De Venecia [as heard] referred to the rejection by the Communist Party Spokesman Gregorio Rosal of a cease-fire proposal.

[Begin De Villa recording] Those kind of talks, *certainly they do not contribute anything useful to the peace process.*

But if they want to pursue it, then let us pursue it.

[Unidentified reporter] So, the situation remains as it was for the Armed Forces?

[De Villa] *Well, for as long as there is no formal agreement to a general cease-fire or cessation of hostilities, then the operations will continue. As a matter of fact, in the light of recent ambushes, the AFP [Armed Forces of the Philippines] perhaps should step up its own operations.*

#### **Police Arrest Suspected Espinosa Killer**

*BK0603031495 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 5 Mar 95*

[FBIS Translated Text] Two mayors are suspected to be behind the slaying of Congressman Tito Espinosa. A mayor from southern Luzon and a former mayor were said to have ordered the killing. The former mayor of Masbate, Susanna Lim, was summoned by acting NBI [National Bureau of Investigation] Director Antonio Aragon in regard to the case, as she is also known as one of Espinosa's former rivals.

Meanwhile, the people of Masbate fear that violence may erupt in the province following the congressman's death. There are reports that his political rivals have already departed following reports that there are armed thugs in the area who are identified as supporters of the Espinosa family. The report that Uzon Mayor Nestor Lim and his family have already left their homes for an undisclosed location elsewhere in the province has been confirmed.

The suspected triggerman in the Espinosa slaying has been identified. The suspect, a former Army sergeant, has confessed to the killing and is now in police custody. Alex Tinsay has the details:

[Begin recording] [Tinsay] The police identified the suspected killer as Blas Rosario. Rosario is also the third most wanted criminal in Region I. The authorities did not allow any video of Rosario to be taken and his sketch was based on the descriptions of witnesses. The suspect has several arrest warrants pending for crimes such as murder, attempted murder, and illegal possession of firearms.

The suspect admitted his participation, but he pointed to Jun, the bodyguard of Congressman Espinosa, as the actual killer. According to Rosario, an individual known as Lim ordered the Espinosa killing. Five other companions, including lookouts, participated in the ambush. According to Rosario, he was hired by a southern Luzon mayor to kill Espinosa for the price of 500,000 pesos. The order to kill Espinosa came from a former Masbate mayor.

According to Rosario, the Espinosa bodyguard Jun planned the killing. Two other suspects were arrested besides Jun, who is also a former policeman. They include a man named Tirso, who is another wanted criminal, and SPO [Senior Police Officer] 2 Arnel Quidato of Masbate PNP [Philippine National Police] Command, who served as bodyguard for Congressman Antonio Kho.

According to DILG [Department of Interior and Local Government] Secretary Rafael Alunan, the arrest of Rosario will surely give way to full resolution of the case.

[Alunan, in English] We investigated thoroughly, I think breakthroughs have been made. The investigation is taking place at a very rapid pace, and I am told that they expect to wrap it up soon.

[Tinsay] The police laboratory experts have obtained partial results from shell casings recovered from the scene of the crime and from guns confiscated from Masbate Congressman Antonio Kho. The Kho and Espinosa families are considered mortal political enemies in Masbate, although Kho denies any knowledge of the Espinosa murder.

According to the police, they cannot reveal the results of the ballistic tests as they have not fully examined the bullets removed from the body of Espinosa. [end recording]

### **Thailand**

#### **SRV Grateful for ASEAN Membership Support**

*BK0403095595 Bangkok Radio Thailand Network in English 0000 GMT 4 Mar 95*

[FBIS Transcribed Text] Vietnam's Defense Minister General Doan Khue thanked the Thai Government for its support to Vietnam's application for membership in ASEAN. During his four-day visit to Thailand as the guest of the Ministry of Defense, General Doan Khue conveyed Vietnam's appreciation through Prime Minister Chuan Likphai and Minister of Defense General Wichit Sukmak. The visiting Vietnamese defense minister said he and his party came to exchange views with their Thai counterparts as well as to strengthen bilateral ties with Thailand. Prime Minister Chuan told his Vietnamese guest that with the changes in both Thailand and Vietnam, bilateral relations between the two countries have improved steadily. The two countries have also cooperated in solving regional problems and conflicts.

Meanwhile, General Wichit informed his Vietnamese counterpart of Thailand's stand on the conflict in Cambodia. He confirmed Thailand's policy of noninterference and its firm support for the elected Cambodian government. Moreover, the Thai defense minister congratulated Vietnam for the resumption of diplomatic ties between Vietnam and the United States.

#### **Prime Minister Chuan Meets Cambodian Envoy**

*BK0603144095 Bangkok Radio Thailand Network in Thai 1200 GMT 6 Mar 95*

[FBIS Transcribed Text] Cambodian Ambassador to Thailand Roland Eng paid a courtesy call on Prime Minister Chuan Likphai at Government House this afternoon on the occasion of taking up his assignment in Thailand. The Cambodian ambassador expressed thanks

to the Thai Government for its support in helping Cambodia build a foundation for its various fields of development. He said Cambodia considers its relations with Thailand something special and expressed his hope that such relations will survive the present transitional period and continue into the future.

The Thai prime minister congratulated Cambodia on the positive changes in the country and asked the ambassador to relay a request to the Cambodian Government to protect Thai businessmen who are doing business legally in Cambodia. He told Cambodia to think about the friendly relations that date back even before genuine peace was attained in Cambodia, when businessmen from other countries refused to do business in Cambodia. He noted that Thai businessmen were among the first foreigners to venture into Cambodia. The ambassador said Cambodia fully appreciates Thailand's friendship and believes it is something special. He assured the prime minister that Thai businessmen would be given the best protection by the Cambodian Government. The prime minister said he was happy to see that His Majesty King Norodom Sihanouk had recovered from his illness. He also conveyed his best regards to the two Cambodian prime ministers.

Meanwhile, General Wimon Wongwanit, the Army commander in chief, who presided over a ceremony marking the anniversary of the Air Defense Command, granted an interview to reporters concerning an AP report about an accusation made by a Cambodian military commander that Thai soldiers had provided food supplies to the Khmer Rouge. Gen. Wimon said he told his soldiers to show pictures of the ambush of Thai paratroopers to the mass media. The area where the Thai soldiers were killed by Cambodian Government soldiers was inside Thailand. The Army chief said that relations between the Thai and Cambodian militaries remain good; the Army will let the Foreign Ministry inform the Cambodian Government of the incident. He said Thai soldiers cannot remain idle when faced with threats in which Thai civilians are the victims of violence in Cambodia, yet the soldiers will take friendship and economic cooperation with Cambodia into account before taking any action.

The Army commander noted that Cambodia has been able to achieve unity and stability to a certain degree thanks to strong efforts by Thailand. Thailand, therefore, should not allow comments by certain people to spoil the good relations between the two countries. He said the military had remained very patient. He stressed that Thai soldiers are friends of all countries and will be fair to all parties. Thailand, he said, has made clear its stand of not supporting the Khmer Rouge. At the same time, it will not allow foreign forces to use Thailand to stage combat operations to remove any particular unit or forces.

### **Bank Governor Views Baht Relationship to Dollar**

*BK0603032795 Bangkok BUSINESS DAY in English 6 Mar 95 p 1*

[FBIS Transcribed Excerpt] The relentless advance of the yen against the dollar and the accompanying pressures on the baht to dollar exchange rate has given rise to concerns over their impact on Thailand's export driven economic growth.

Wichit Suphinit, Governor of the Bank of Thailand, also reiterated that the exchange rate between the baht and the dollar should be at a level which helps maintain the competitiveness of Thai exports. He says that there is little likelihood of an increase in foreign capital inflows as a result of the interest rate increase because of the high volatility in foreign exchange markets

As for the rate of change between the baht and the dollar, Mr Wichit says: "Although some may be of the opinion that the baht is overvalued relative to the dollar, the fact is that Thailand's competitiveness in world trade is essential, and a higher value of the baht relative to the dollar would decrease Thailand's competitiveness." [passage omitted]

### **Minister Urges Less Reliance on Foreign Loans**

*BK0603034795 Bangkok BUSINESS DAY in English 6 Mar 95 p 3*

[FBIS Transcribed Text] State enterprises should borrow more in baht rather than rely on foreign loans, according to Finance Minister Tharin Nimmanhemin, who added, however, that the level of domestic borrowings must be kept at an appropriate level so as not to cause liquidity problems.

Mr Tharin said state enterprises have great potential in helping to develop Thailand's market for debt instruments because their annual investment budgets are about 230 billion baht. Though the government has a policy of privatizing state enterprises, they still need large amounts of funds mobilized through the stock or debt market.

To help boost liquidity in the financial market, the Bank of Thailand has allowed state enterprises' bonds, without the Finance Ministry's guarantee, to be traded in the bond market and to be used as collateral for loans from the central bank. Somchai Ruchuphan, director-general of the Fiscal Policy Office, the Finance Ministry, is studying tax incentives for such bonds to promote their acceptance. The tax incentive may include a reduction in income tax collected on interest from the bonds. To issue such bonds, the issuing state enterprises will have to disclose all financial and other information for rating by the Thai Rating and Information Service (TRIS).

### **Paper on Plan To Open Derivatives Market**

*BK0403125895 Bangkok THAI RAT in Thai 4 Mar 95 p 3*

[Editorial: "Thailand's Derivatives Market"]

[FBIS Translated Text] There is still no trading in future derivatives in Thailand. There exists only the trading of debt instruments which was set up only four months ago. The Securities and Exchange Commission is now drafting a law on the trade of future derivatives with an intention to create a major market in Thailand.

It is fortunate for Thailand that the case of Nick Leeson and England's Barings Bank took place. The trader, Nick Leeson, who had the power to sell or buy future derivatives for Barings Bank caused the bank to collapse due heavy losses. What happened makes us realize that the derivatives market, which has been thought to be low-risk, can be high-risk if there are no effective measures to control it.

In fact, what caused the collapse of Barings was not Nick Leeson's derivatives trading, but his use of the company's funds to gamble in the Tokyo market's stock index. He lost because of the steady fall of the Tokyo market following the Kobe earthquake.

It is good for Thailand to review its plan on the control of the derivatives market that will open in future, especially concerning the power given to traders who can order the sale or purchase of future derivatives. It would be too risky to allow any particular person to have overwhelming power to control the trade, as in the case of Nick Leeson. In fact, one cannot really say that there is no derivatives trading in Thailand as the trading of warrants is a form of derivatives trading.

It is advisable for us to plan cautiously on adequate measures to prevent risks from derivatives trading. Commenting on the Barings issue, U.S. Federal Reserve Chairman Mr. Greenspan said the loss of Barings, which shook the entire world, was not the fault of a poor market system, but human greed. Singapore has enacted a new law to control trade in futures derivatives. The new law has only recently been approved by the parliament.

To prepare for the smooth trading of derivatives in Thailand, we should encourage criticism of derivatives trading so that the public will be introduced to a general knowledge of the market.

#### **Official Condemns Kidnapping at Burma Border**

BK0503112295 Bangkok *THE SUNDAY POST* in English 5 Mar 95 p 2

[FBIS Transcribed Text] Tak—The abduction of another Karen National Union [KNU] official from a Thai refugee camp on Thursday by an armed force from Burma was condemned yesterday by National Security Council deputy secretary-general Khachatphai Burutphat.

Mr Khachatphai earlier inspected the border area opposite Kawmura camp from which KNU forces recently withdrew. The camp has been occupied by Burmese troops.

"The kidnapping might have stemmed from personal conflicts or might be political.

"The kidnappers came to Thailand and returned after the operation, so the Thai authorities could not do anything. It is not yet clear which group was responsible. Thailand has lodged a protest with Burma," he said.

Suspected members of a rebel splinter faction, the Democratic Kayin [Karen] Buddhist Army (DKBA), allegedly raided a refugee camp at Mae Tha Wao on Thursday and seized at gunpoint Karen guerrilla official Saw Kyaw Lay.

Mr Khachatphai said the Third Army had told all border units to provide security for refugees and Thais in the area.

The seizure of former KNU camps along the border by Rangoon troops would bring about peace and order along the border, he said.

The KNU's vow to conduct guerrilla warfare was an internal affair for Burma. Thailand would not interfere.

No foreign forces would be allowed to use Thailand as a springboard for attacks on the other side, he said.

The KNU issued a statement welcoming the announcement by Task Force 34 commander Adirek Yaemngamriap that the Third Army Region has authorised the use of force against Burmese troops violating Thai territory, and that the Thai military would try to protect refugee camps in Tak and Mae Hong Son provinces.

It also welcomed Premier Chuan Likphai's statement that Thailand was willing to act as a mediator to end the civil war in Burma.

#### **Government Policy on Burma, Karens Critiqued**

BK0403090395

[FBIS Editorial Report] Two Bangkok vernacular dailies—THAI RAT and Siam Post—on 3 March carry editorials commenting on the appropriate stance Thailand should adopt in dealing with the massive suppression of minority rebels by the Burmese Government.

THAI RAT's 400-word editorial, on page 3, entitled: "Too Risky for Thailand," says: Co-founders of the Burmese Government-in-exile and some 20 anti-government groups in Burma are delighted to learn that Thai Prime Minister Chuan Likphai has agreed to mediate the conflict between Rangoon and the Karen rebels. However, the report on the Thai prime minister's decision cannot be confirmed as yet because the Thai Government has not issued any statement in this connection. As a matter of fact, it will be better for Thailand to stay away from the problem. The chances of it achieving anything is very slim.

"If the Thai Government has really taken such an attitude, we beg that it will correct itself. We know that Thailand can never succeed in mediating the conflict.

The ethnic minority groups have struggled long against the Burmese regime and will never want to be ruled by the Burmese.

"The most we can hope for is a cease-fire. There is no way to bring the Burmese Government and the Karens to any agreement. The Karens want independence but the Burmese Government will not give up its rule over any square inch of Burmese territory."

The editorial notes that the Thai Government should be careful because the Burmese ethnic groups might try to create misunderstanding between the governments of the two countries.

It says: "Thailand should try to convince other ASEAN member countries and major powers that the only way to settle the problem is to turn Burma into a federation of autonomous states of minority groups, with the central government controlling only the major policies of the states."

SIAM POST's 450-word editorial, on page 4, entitled: "On a humanitarian basis," says: "The fighting inside Burma has forced Thai villagers to move from the affected border areas to safe places. Artillery shells land constantly inside the Thai territory while as many as 150,000 Karen refugees are now seeking refuge in Thailand."

The editorial points out that the Thai Government is obliged to help these refugees on a humanitarian basis and send them back to Burma after the situation returns to normal. Members of the two warring parties must be disarmed once they step on Thai soil.

The Thai Government should not comply with the recent request of Lieutenant General Tin U, secretary-2 of the State Law and Order Restoration Council, for the repatriation of the Karen refugees although he guarantees their safety.

The editorial concludes by saying "Prime Minister Chuan Likphai was right when he voiced his support for the Burmese Government and the warring minority group to turn toward each other. The negotiating table is the only place where all problems can be solved."

#### **Reportage on Repeated Border Violations**

##### **Protests Issued to Burma, Cambodia**

*BK0403094195 Bangkok BANGKOK POST in English  
4 Mar 95 p 7*

[FBIS Transcribed Text] Thai troops will retaliate against intrusions by Cambodian forces, Prime Minister Chuan Likphai warned yesterday, as protests were lodged against Burma and Cambodia over repeated border incursions.

"We will not let Thais be killed without responding," he said.

He said the intrusions stemmed from the inability of Cambodian commanders to control their soldiers.

But there was no problem at national level between the two governments.

The Foreign Ministry yesterday summoned the ambassadors of Cambodia and Burma to receive protest letters.

Burmese ambassador U Tin Win met deputy permanent secretary Sarot Chawanawirat.

His Cambodian counterpart, Roland Eng, met another deputy, Phirat Itsarasena.

The Foreign Ministry has now lodged three official protests through the Burmese Embassy in Bangkok over alleged abductions and repeated intrusions into Thailand by Democratic Kayin [Karen] Buddhist Organisation and Burmese forces.

Deputy Foreign Minister Surin Phitsuwan said every country had a duty to protect its sovereignty.

"This sort of thing should need to be said only once, because it is serious. It shouldn't have to be repeated.

"No sovereign country can accept intrusions into its territory," he said.

About 30 Burmese soldiers and Karen turncoats, led by a former officer of Battalion 104 of the Karen National Union, Lt Maung Soe, crossed the border into Thailand's Tha Song Yang district in Tak on Wednesday and kidnapped a Karen judge, San Htone Kaing, from the Ban Huai Ma Nok refugee camp.

Mr Surin said the incidents in the past two weeks were all committed by Lt Maung Soe's forces.

The Burmese government should "manage" him.

"Last Thursday night, the Burmese intruders were spotted one kilometre inside Thai territory. We have to monitor the situation and protect the refugees," he said.

The Burmese government should increase its efforts to control its soldiers, he said.

Some Cambodian government soldiers intruded into Thailand at Khun Han district, Sisaket province, last Tuesday.

Two Thai soldiers were killed and three others wounded in the incident.

According to a ministry press release, Mr Phirat lodged an aide memoire protesting the incident and artillery shells which landed in Thailand during recent fighting.

The Thai Government wants Phnom Penh to investigate the problem and ensure it does not recur.

Mr Surin said his ministry was working with the Thai military to ensure a repeat of the incident was avoided.

"If these events take place again, we will implement another measure which is more decisive," he said, without elaborating.

Mr Chuan said he had told Defence Minister Wichit Sukmak to take military action against foreign intruders.

The Government would seek compensation from Phnom Penh for the killing of two army-trained rangers in Sisaket province.

Army Commander Gen Wimon Wongwanit said the Army would take military action over any violation of the country's sovereignty in future.

"Soldiers have guns and we will shoot anyone who crosses into our territory," he said.

It was hoped the pending appointment of a Thai Army attache in Cambodia would solve the problem, he said.

Army assistant commander Gen Chettha Thanacharo said after a one-day trip to Burma that leading Burmese military officers had apologised to Thailand for the violation of Thailand's sovereignty during the suppression of Karen rebels in recent weeks.

#### **Army's Cambodian Attacks Endorsed**

*BK0503144895 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 5 Mar 95*

[FBIS Translated Text] Foreign Minister Doctor Krasae Chanawong said the Foreign Ministry and the military have been working closely to get a clarification on the attack on Thai soldiers. They have issued memos to the Cambodian Government demanding an explanation about the incident. Dr Krasae said the ministry will keep up with diplomatic measures and will not allow Thai soldiers to die for nothing.

[Begin recording] [Krasae] Soldiers have their duty to prevent anyone from trampling on Thai territory or sovereignty. And that's what they have been doing. They only have to report to the authorities concerned about the measures taken. The Foreign Ministry, meanwhile, must cooperate with them to investigate for facts and obtain information on what happened. I think they have done their duty ...

[Unidentified reporter] Do you mean the action taken by the military was correct?

[Krasae] I think it was correct and appropriate to the situation. As we are seeking an explanation through talks and cooperation, we have to be strong in our task of safeguarding security at the border close to our neighbors. It would be damaging if we allow the incidents to repeat themselves. [End recording]

Commenting on the situation at the Cambodian border, Prime Minister Chuan Likphai said the Foreign Ministry had been instructed to lodge a protest. Meanwhile, the defense minister will be responsible for taking military

action. The prime minister also assured that Thai soldiers would not die for nothing.

#### **Cambodia Apologizes for Ambush**

*BK0603042295 Bangkok THE NATION in English 6 Mar 95 p A 6*

[FBIS Transcribed Text] Cambodia's Supreme Commander has apologized to the Thai military for last week's cross-border ambush of a Thai military jeep by his armed subordinates which resulted in the deaths of two military sergeants and the injury of four others, a Thai army commander said yesterday.

Maj Gen [Major General] Sanan Maroengsit, commander of the Suranari Task Force, said yesterday that Cambodia's supreme commander telephoned him on Friday and apologized for the incident in which Cambodian government troops crossed illegally into Sisaket province and ambushed the task force's jeep with assault rifles and hand grenades.

"Army Commander in Chief Wimon Wongwanit and the foreign ministry have already been informed about the apology," Sanan said.

Cambodia earlier denied that Cambodian soldiers had made the cross-border incursion and maintained that Thai troops have killed at least 12 Cambodian soldiers and wounded more in an effort to stop them fighting Khmer Rouge rebels from Thai territory.

The incursion sparked outrage in Thailand—particularly vehement were Prime Minister Chuan Likphai and Gen Wimon. The foreign ministry summoned the Cambodian ambassador Roland Eng in response to the incident and submitted an official protest over the incursion.

"Although we got an apology from Cambodia, we still wanted to lodge a formal protest," Sanan said.

He added that cigarette butts were found in the area where the Thai troops were killed, proving that the Cambodian soldiers had waited to kill them.

Sanan added that Cambodian troops have tried to cross the border in the past in order to attack the outlawed Khmer Rouge from the rear. The Phnom Penh soldiers are currently engaged in heavy fighting with the Khmer Rouge at the guerillas' stronghold of Alung Veng.

The attack from the rear is aimed at capturing the hill "610" which lies on Thai soil: "Therefore, the Cambodians intruded into our country when they saw the Thai troops and tried to kill them in an attempt to take over the hill," said Sanan.

He vowed to counter attack if Cambodia again intentionally fires across the border.

#### **Chinese Dailies on Sino-U.S. Copyright Accord**

*BK0403091795*

[FBIS Editorial Report] Two Bangkok-Chinese Dailies—ZHONG HUA RIBAO and XING XIAN RIBAO—on

28 February and 2 March respectively carry editorials commenting on the success of the Sino-U.S. copyright protection talks.

ZHONG HUA RIBAO's 28 February 550-word editorial on page one is entitled: "China and the United States are Winners: Both are Happy." The editorial says "China and the United States have signed an agreement on the protection of copyrights during the latest round of talks. The accord, concluded after 13 days of marathon talks, has averted a trade war." The Chinese and the U.S. officials congratulated each other and expressed satisfaction over the accord. "Businessmen in the United States, China, Hong Kong, and Taiwan are also happy over the fact that the two sides have been able to avert a trade war that will have great impact on both sides. So, all are happy over the results." The editorial then reviews details of the previous talks and efforts of the two countries to settle the copyright dispute.

The editorial adds that from the details of the accord, we can see that China is determined to protect intellectual property rights in line with international practices. This will boost the confidence of foreign businessmen in investing and developing China. The United States will not again raise unreasonable demands in areas unrelated to the intellectual property rights.

In conclusion, the editorial says: "The signing of the copyright protection accord does not mean that there will be no more trade dispute between China and the United States in the future. However, accord has set a precedent for the settlement of disputes through consultations. Taking into account of bilateral economic interests, both can further strengthen their ties and cooperation and make greater contributions to the settlement of international disputes and the safeguarding of peace."

XING XIAN RIBAO's 2 March 500-word editorial on page two is entitled: "Copyright Talks Succeed: China's Accession to World Trade Organization [WTO] Expected." The editorial says that "China and the United States has reached a last-minute agreement on intellectual property protection on 26 February, averting a trade war that could have affected both countries. This is a scoreless game with both sides becoming winners. The accord is not only in line with the interests of China and the United States but also the wishes of the business circles in Hong Kong and Taiwan."

The editorial says China's return to GATT has been delayed for eight years. China had originally hoped to become a founding member when GATT was replaced by the WTO on 1 January. However, its efforts failed because it was obstructed by the United States. The United States imposed a harsh condition on China's entry by insisting that it enters the WTO as a developed country, while China insists that it will join the WTO as a developing country. So, talks for China's accession to the WTO is deadlocked.

The editorial adds that "there will be an upsurge in trade between China and the United States following the

signing of the copyright accord. More American businessmen will invest in China. Since China will provide protection for computer software and music products, U.S. companies will strengthen its market and investment in China. China will not be bound by the multilateral trade agreement if it is excluded from the WTO. This will not be conducive to U.S. trade interests." U.S. Trade Representative Mickey Kantor on Sunday reaffirmed U.S. support for China in gaining entry into the WTO. However, he insisted that China's accedes to the WTO on a commercially reasonable basis. This means that China must make some compromises in return for U.S. support. Whether or not China and the United States can make a breakthrough on this issue will depend on their bargaining at the negotiating table.

In conclusion, the editorial says China, as a developing country, is qualified to join the WTO. The WTO has also reserved a seat for China. It believes that China's wish to become a WTO member will be achieved.

#### Private Sector 'Hopeful' on Copyright Law

BK0403103295 Bangkok BANGKOK POST in English  
4 Mar 95 p 24

[FBIS Transcribed Text] The private sector is hopeful that enforcement of the law against copyright violations will be more effective and stringent after March 21, when the new Copyright Law giving wider powers to the authorities comes into effect.

A source from the International Federation of Phonography Industries (IFPI) said pirate sound recordings have fallen to about 35 percent of total cassette sales, but there are still many such products available in the Khao San Road and Phatphong areas.

Police from the Economic Crime Investigation Division claim they find it difficult to crack down on the violators because they are not empowered to seize products when the vendors are absent.

But the new Copyright Law gives them the power to take away products even though the sellers may not be there because the law requires defendants to prove that they are selling copyright products.

The legal sound recording industries are now waiting until March 21 to see how effectively the new law will be policed, the source said.

Deputy Commerce Minister Kopsak Saphawasu said the law grants authority to the Commerce Minister to appoint officials from the ministry as officials under the law, which will have the same authority as police in cracking down on copyright piracy.

He said officials can also have the authority to crack down on piracy for 24 hours if they still operate their business. This is in addition to the existing law where these duties can be undertaken only in the daytime.

Mr Kopsak yesterday called a meeting of government and private sector representatives to discuss the prevention of copyright violation.

He said some participants worried that the agreement to settle the copyright problem between the United States and China will have a negative impact on Thailand, because China may release their products and machinery to Thailand.

He therefore asked for cooperation from the Customs Department to strictly examine imports of these products.

The source said IFPI had found that pirated compact discs had been imported from Singapore by tourists who brought 300-500 with them when entering Thailand.

Mr Kopsak said the Economic Crime Investigation Division has made 98 arrests for copyright piracy.

## Vietnam

### Deputy Minister Discusses Forum on Development

BK0303060295 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 1 Mar 95

[Interview with Deputy Foreign Minister Vu Khoan by an unidentified correspondent; place, date not given—recorded]

[FBIS Translated Text] [Correspondent] Comrade, you have just returned from the international forum on the comprehensive development of Indochina held in Tokyo, Japan. Would you please tell us the reasons that Japan hosted this forum and its main results?

[Vu Khoan] The initiative to organize the forum on the comprehensive development of Indochina was put forth [words indistinct] in January 1992 [words indistinct]. It was Japan's desire to contribute to the development of the three Indochinese countries and also to ensure that the assistance to these countries is correlated and even. That is why Japan put forth and tried to explain this initiative and persuade the world community to support it. [Words indistinct] Of course, this is only a forum. [Words indistinct] Two committees will be formed in the wake of this forum, one on infrastructure and the other on (?Indochina development). There will also be an advisory committee for trade and investment promotion.

In summary, the forum focussed on three main issues. First, the participants discussed ways to link the subregion's infrastructure. This requires efforts to turn all land, air, and sea routes as well as communications into a network for the entire subregion. The second topic, dealing with human resource development, covers a very extensive field—not just training, although training is the key issue. This topic also deals with many social issues; for example, efforts to eliminate hunger; reduce

poverty; assist poor regions as well as women, children, and the elderly; and so forth. These are social issues and they were all discussed. The third topic involved cooperation and investment. The participants discussed the opportunities and potentials of the three countries. They also discussed the challenges in these countries and they [words indistinct].

[Correspondent] Comrade, could you please tell us about the activities of our Vietnamese delegation during and outside this forum in Tokyo?

[Vu Khoan] Basically, our delegation was there to attend the forum. Therefore, we participated very actively both in preparatory work and actual discussions at the forum. All the participating countries, including the host country Japan, highly valued our positive and constructive contributions.

Of course, we had many opportunities to make contacts. The comrade head delegate [words indistinct] paid a courtesy call on Yohei Kono, the deputy prime minister and foreign minister who is concurrently president of the forum. Both sides were very pleased to note that Japanese-Vietnamese relations have developed very well in the recent past, as manifested by a visit by Prime Minister Vo Van Kiet and a visit to Vietnam by Prime Minister Murayama. Also, it is no secret among the Japanese public that active preparations are being made to welcome General Secretary Do Muoi's visit to Japan. At the same time, the Japanese side reaffirmed that it will carry on a policy of supporting our renovation undertaking and that this explains its cooperation with us. The Japanese side also welcomed our preparations for ASEAN membership and expressed its desire to see the regional situation become stable.

[Correspondent] How do you evaluate the meaning and results of this forum? Can you brief us on the opinions expressed at the forum by national representatives and international organizations?

[Vu Khoan] We must say that this is the first international conference on the three countries of Indochina. There have been two separate conferences on granting financial assistance to Vietnam, there is a conference on Cambodia every year, and there was a roundtable discussion on helping Laos, but this is the first time that an international conference has been held on Indochina. All countries and international organizations participating in the conference held that this is the first opportunity for the three Indochinese countries to develop peacefully following 50 years of war. They held that the three Indochinese countries are making highly valuable progress in renovation, reform, and openness. They also emphasized and highly valued the open-door foreign policy of all three Indochinese countries. They considered this a favorable condition and opportunity for the three countries to improve cooperation in the world and the entire Southeast Asian region.

[Correspondent] Thank you, Comrade.

**Do Muoi Receives ROK Legislator, Views Ties***BK0403145195 Hanoi VNA in English 1431 GMT 4 Mar 95*

[FBIS Transcribed Text] Hanoi VNA March 4—Party General Secretary Do Muoi received here today a delegation of the Democratic Liberal Party (DLP) from the Republic of Korea led by Moon Jung Soo, parliament member, now on an official visit to Vietnam.

Speaking to his guests, Mr Do Muoi warmly welcomed the visit and expressed his satisfaction at the continuing development of the relations between the two parties, thus helping to promote the friendship and multi-faceted cooperation between the two countries, and contributing to the cause of peace, stability, cooperation and development in the region.

For his part, Mr Moon Jung Su, who was ex-secretary general of the DLP, praised the achievements recorded by the Vietnamese people in the on-going renovation process under the leadership of the Communist Party of Vietnam. He said party General Secretary Do Muoi's coming visit to North Korea will be a historic event which will bring the relations between the two countries to a new height.

The Vietnamese leader expressed his hope that his ROK visit would be successful and create groundwork for furthering the multi-faceted ties between Vietnam and ROK.

The guest delegation yesterday held talks with a delegation of the Vietnamese Communist Party led by Mr Hong Ha, secretary of the Communist Party of Vietnam Central Committee and head of the party's External Relations Commission. The two sides discussed how to develop the relationship between the two ruling parties and the two nations.

**Decision Made To Allow Import of Used Vehicles***BK0403130395 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 3 Mar 95*

[FBIS Translated Text] The Ministry of Trade held a news conference this afternoon to announce the prime minister's decision allowing the importation of used motorbikes and cars having less than 12 seats in 1995. According to the decision, 6,500 cars and 170,000 motorbikes of various types—new and used—will be imported this year. Used vehicles should be at least 50 percent new [tuwf nawm muowi phaanf trawm chaats luowngj suw dungj]. To ensure good order in the arrangement of vehicle imports, the government has authorized the Ministry of Trade to select 21 business establishments with suitable criteria to carry out the importation of cars and 84 establishments to import motorbikes

through six main companies. Trade representatives in our overseas embassies will arrange importation contracts with prestigious foreign companies to ensure the vehicles are of fair quality and reasonable price.

**Le Duc Anh Marks Air Force 40th Anniversary***BK0403133495 Hanoi VNA in English 1233 GMT 4 Mar 95*

[FBIS Transcribed Text] Hanoi VNA March 4—A meeting was held here yesterday to mark the 40th anniversary of the Air Force of the Vietnam People's Army (VPA).

Prominent among those present at the function were State President Le Duc Anh; Generals Vo Nguyen Giap, Van Tien Dung and Chu Huy Man and Senior Lieutenant General Dao Dinh Luyen, member of the party Central Committee and chief of the General Staff of the VPA and representatives of the local and central branches and organisations and many other senior officers of the National Defence Ministry.

On this occasions, party General Secretary Do Muoi sent a letter and a basket of flowers and Prime Minister Vo Van Kiet sent a basket of flowers to the Air Force, greeting the anniversary.

Lieutenant General Pham Thanh Ngan, command of the Air Force, delivered a speech noting the significance of the historical anniversary and highlighting the glorious tradition of the Air Force in the national defence and construction.

On behalf of the Ministry of National Defence, Senior Lt. General Dao Dinh Luyen handed over certifications of heroic title to the next kins of four fallen combatants namely Nguyen Phi Hung, Le Quang Trung, Vu Xuan Thieu and Nguyen Van Bay who had made special achievements in the anti-US resistance for national salvation.

Addressing the meeting, State President Le Duc Anh spoke highly of the victories and successes recorded by the Air Force over the past forty years and wished it to become a strong and modern one always be ready for national defence and construction.

**Hanoi Suffers 'Serious' Shortage of Cooking Gas***BK0603081195 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 6 Mar 95*

[FBIS Translated Text] Currently, the use of gas stoves in Hanoi has become quite popular. However, since the Tet Lunar New Year, Hanoi has suffered a serious shortage of cooking gas. Two-thirds of the privately run stores selling gas stoves have had to close because of a shortage of gas. All the cooking gas outlets operated by Petrolimex seem to have no cooking gas left for sale.

The current, serious shortage of cooking gas in Hanoi is due to the high tariff tax levied on this product. The second reason is that as the north depends on cooking gas supplied from the south, no cooking gas was reported to have been delivered during the period 10 days before and 10 days after the Tet holidays due to a lack of transportation coupled with an overuse of cooking gas

during Tet—which exceeded the expected level—thus depleting stocks. Another reason is that there are many ships with large quantities of imported cargo waiting in line at the port to be unloaded. Currently, an oil tanker is being unloaded at the port, thus preventing a ship carrying cooking gas from pumping its cargo to a gas depot.

**Australia****Evans Regrets Increasing U.S. 'Isolationism'***LD0503092195 Melbourne Radio Australia in English  
0800 GMT 5 Mar 95*

[FBIS Transcribed Text] Australian Foreign Minister Gareth Evans says he regrets that the United States is becoming more isolationist and warned that the trend could harm international relations. Interviewed in an Australian television program, Senator Evans said the Republican Party's victory in securing a majority in the United States Congress last November was the most obvious manifestation of American isolationism. He said the shift was not likely to affect Washington's bilateral relations with other countries, but would affect multilateral ties. It would mean there was little prospect for reforming the United Nations this year when the world body celebrated its 50th anniversary. Senator Evans said, however, that the United States appeared committed to a substantial physical presence in the Asia-Pacific region.

[Begin Evans recording] So far as the Asia-Pacific is concerned, I think there is bipartisan determination to keep some substantial U.S. physical presence and engagement in our own part of the world, and that's an important stabilizing factor and one that we welcome. I think the real impact of that isolationism is going to be really in the multilateral area, the United Nations, things like how we handle (these) explosive and awful humanitarian relevant [as heard] conflicts in Bosnia and Somalia, and so on elsewhere. Well, that's a most unhappy way, I think, of looking at international responsibilities when you're a country like the U.S. [end recording] (endall) 050800 caward/pg 05/0920

**Evans: Jakarta To Confront Charges in East Timor***BK0503092495 Hong Kong AFP in English 0423 GMT  
5 Mar 95*

[FBIS Transcribed Text] Sydney, March 5 (AFP)—Australian Foreign Minister Gareth Evans said Sunday that Indonesia recognised it would have to confront allegations about human rights abuses in East Timor.

The country's recently-established Human Rights Commission issued a report Wednesday contradicting military accounts of the killing of six people on January 12 in the territory's Liquica regency.

It said Indonesian soldiers killed six non-combatant civilians. The military had said the casualties were two Fretilin guerrillas fighting for independence and four members of a pro-independence clandestine network.

"I think the Indonesians fully recognise that this is an issue they have to confront and deal with head on," Evans told a television interviewer.

He said the situation in East Timor had "obviously been deteriorating, particularly over the last three months or so."

But Evans said Indonesia also seemed "capable of applying this corrective approach," citing the fact that it had established the commission which produced "these rather striking and startling findings."

The foreign minister said the Indonesian army's investigation through the Military Honour Council was still underway.

"The Military Honour Council, although it seems an extraordinarily named institution, is the traditional investigative court-martial type institution in Indonesia and I don't think there is any grounds at all for scepticism at this stage about how that process will work itself out," he said.

Indonesia seized the former Portuguese colony in December 1975 and annexed it the following July in defiance of the United Nations.

**Indonesian 'Dissident' Views East Timor Report***BK0303040195 Melbourne Radio Australia in English  
0630 GMT 2 Mar 95*

[FBIS Transcribed Excerpt] Indonesia's Human Rights Commission has found the country's Armed Forces guilty of intimidating, torturing, and unlawfully shooting six East Timorese earlier this year. The commission handed down its findings after making two separate visits to the troubled former Portuguese colony to interview eyewitnesses to the killing. [passage omitted]

One of Indonesia's leading dissident academics says he is surprised by the strength of the condemnation of the East Timor killings. Dr. George Adicondro says the commission report may be part of the wider strategy by President Suharto to strengthen his position over the military.

Dr. Adicondro is in Australia researching his third book. He has already written extensively on East Timor and recently appeared as an expert witness at the trial of an East Timorese student jailed on charges of treason and inciting unrest. Dr. Adicondro told Ben Wilson the military would find it hard to ignore the adverse findings:

[Begin recording] [Adicondro] Definitely, that the commission could come out with such a strong statement, and especially coming from the chair of this commission, Ali Said, is very, very unusual.

[Wilson] Why is it unusual? Is the commission considered to be a puppet of the Indonesian Government or is it considered not to have any power?

[Adicondro] The commission consists of a very diverse type of people; people who are really on the government payroll—civil servants. There are lawyers who are active in the parliament, people like Marzuki Darusman and B.N. Marbun. But this became a commission report, not only a report from individual members of the commission and through the mouth of the chairperson and in such a delicate issue like East Timor seems to me very, very unusual and very surprising. On the other hand, I

am also very delighted that there is a progress made by this Komnas HAM [National Commission on Human Rights] in relation to talking about issues of East Timor.

[Wilson] The fact that the commission has used the words shot unlawfully, and that they had found no conclusive evidence that the six were antigovernment or members of separatist groups, does that show that there is growing willingness in the commission to stand up to the government and to stand up to the military and human rights abuses?

[Adicondro] Yes, although we selectively look at it in a broader context of what is going on in Indonesia where there seems to be some tension between Suharto and the Armed Forces. So it might be that the commission also made use of this opening or this conflict by airing a lot of criticism. Indirectly this is a very strong criticism against the Armed Forces unlawfully shot and so on and so on.

[Wilson] But do you think the Indonesian military will be able to shake off this or ignore this very direct attack on its credibility?

[Adicondro] No, because it has come from a commission which has been installed by a presidential decree. So declining or simply slowing down or maybe taking action or putting pressure on the commission members might indirectly be an insult against the person who installed this commission; indirectly an insult against the president. So this is a very, very hot potato in the hands of the Armed Forces. [passage omitted] [end recording]

#### **Evans Urges ASEAN To Review Ties to Burma**

*LD0403104695 Melbourne Radio Australia in English  
0800 GMT 4 Mar 95*

[FBIS Transcribed Text] Australia's foreign minister, Senator Gareth Evans, has asked the Association of South East Asian Nations, ASEAN, to consider downgrading its links with Burma. Senator Evans says closer ties with the military regime should be reviewed unless Burma dramatically improves its human rights record. The minister says an appropriate first step for the government would be to release detained opposition leader and Nobel Prize winner, Aung San Suu Kyi.

[Begin Evans recording] Well, I certainly think the position of Suu Kyi is one of the crucial benchmarks, both of symbol and of substantive significance, and certainly Burma should not be further rewarded by

ASEAN by way of observer status within the ASEAN dialogue system without really significant progress on that front. [end recording]

#### **Trade Minister Reviews Economic Ties to China**

*LD0303131395 Melbourne Radio Australia in English  
0900 GMT 3 Mar 95*

[FBIS Transcribed Text] Australia's Trade Minister Bob McMullan [name and title as heard] says Australia has achieved a spectacular economic partnership with China.

Senator McMullan said China last year overtook Taiwan to become Australia's sixth largest trade partner. On current trends, he said, China would be one of Australia's top three trading partners by early next century.

Speaking to the Chinese Chamber of Commerce in Victoria, Senator McMullan said a special unit in his department would soon publish a report on ethnic Chinese business networks in Asia. The minister said Australia's exports to China last year grew by almost one quarter to reach 2.8 billion Australian dollars. Traditional exports of food and minerals were expected to double every five years. Senator McMullan said China's more liberal trade policies would give Australia opportunities in food processing, beer production, insurance, banking, and legal services.

#### **UN Food Caterer Held Captive in Somalia**

*BK0503085795 Melbourne Radio Australia in English  
0500 GMT 5 Mar 95*

[FBIS Transcribed Text] Australian-based catering company says its managing director is being held captive in Somalia. The head of Morris Catering, David Morris, offered himself in exchange for two of his employees who have been held for a week by creditors seeking payment. The company has a contract to feed United Nations troops in Somalia. Morris Catering Project Manager Robert McVicker says the suppliers are demanding payment for vegetables supplied to the company to feed the UN soldiers. Mr. McVicker says the UN owes money to the firm and this has delayed the payment.

[Begin McVicker recording] My last contact with our staff in Mogadishu was when he was still being held and although he wasn't in immediate danger they [word indistinct] made it quite clear that they aren't going to release him until they have been paid. [end recording]

Mr. Morris' son was shot and killed by Somali gunmen in 1993.

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